United States Court of Appeals

for the Second Circuit

EXHIBITS

ORIGINAL

76-5004

B

P/S

United States Court of Appeals
FOR THE SECOND CIRCUIT

ALAN B. MILLER, as Trustee in Bankruptcy of AMERICAN IBC CORP., Bankrupt,

Plaintiff-Appellee,

against

WELLS FARGO BANK INTERNATIONAL CORP.,

Defendant-Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT, FOR THE SOUTHERN DISTRICT OF NEW YORK

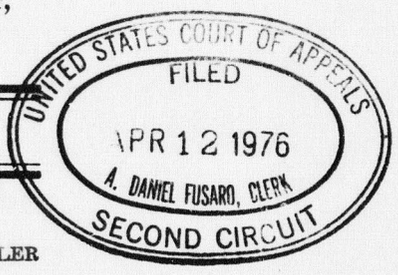


EXHIBIT VOLUME

DUNNINGTON, BARTHOLOW & MILLER
Attorneys for the Defendant-Appellant
Wells Fargo Bank International Corp.
161 East 42nd Street
New York, New York 10017
(212) MU 2-8811

WEIL, GOTSHAL & MANGES
Attorneys for Plaintiff-Appellee
767 Fifth Avenue
New York, New York 10022
(212) 758-7800

GENERAL PLEDGE AGREEMENT

In Consideration of any financial accommodation given, to be given or continued to the undersigned by WELLS FARGO BANK INTERNATIONAL CORPORATION (hereinafter called Bank), and as collateral security for the payment of all debts, obligations or liabilities now or hereafter existing, absolute or contingent, of the undersigned or any one or more of them to Bank (hereinafter called "indebtedness"), the undersigned hereby assign, transfer to and pledge with Bank all money and property this day delivered to and deposited with Bank, and all money and property heretofore delivered or which shall hereafter be delivered to or come into the possession, custody or control of Bank in any manner or for any purpose whatever during the existence of this agreement, and whether held in a general or special account or deposit or for safe-keeping or otherwise, together with any stock rights, rights to subscribe, liquidating dividends, stock dividends, dividends paid in stock, new securities, or other property which the undersigned are or may hereafter become entitled to receive on account of such securities or other property, and in the event that the undersigned receive any such property the undersigned will immediately deliver it to Bank to be held by Bank hereunder in the same manner as the property originally pledged hereunder. All money and property assigned, transferred to and pledged with Bank under this paragraph is hereinafter called "collateral".

Bank may accelerate payment of any indebtedness or require additional collateral whenever it deems itself insecure and the undersigned will at all times maintain with Bank collateral of a character and value satisfactory to Bank. The undersigned warrant with respect to all investment securities, instruments, chattel paper, documents, contracts, insurance policies and any like property delivered to Bank as collateral: (a) that the same are genuine, free from liens, adverse claims, default, prepayment, defenses and conditions precedent, except as disclosed thereby and otherwise disclosed or known to Bank; (b) all persons appearing to be obligated thereon have authority and capacity to contract and are bound as they appear to be; and (c) that the same comply with applicable laws concerning form, content and manner of preparation and execution.

At any time, without notice, and at the expense of the undersigned, Bank in its name or in the name of its nominee or of the undersigned may, but shall not be obligated to: (1) notify any person obligated on any security, instrument or other paper subject to this agreement of its rights hereunder; (2) collect by legal proceedings or otherwise all dividends, interest, principal payments and other sums now or hereafter payable upon or on account of said collateral; (3) enter into any extension, reorganization, deposit, merger, or consolidation agreement, or any agreement in anywise relating to or affecting the collateral, and in connection therewith may deposit or surrender control of such collateral thereunder, accept other property in exchange for such collateral and do and perform such acts and things as it may deem proper, and any money or property received in exchange for such collateral shall be applied to the indebtedness or thereafter held by it pursuant to the provisions hereof; (4) make any compromise or settlement it deems desirable or proper with reference to the collateral; (5) insure, process and preserve the collateral; (6) cause the collateral to be transferred to its name or to the name of its nominee; (7) exercise as to such collateral all the rights, powers and remedies of an owner; and (8) perform any obligation of the undersigned hereunder.

Bank may at its option retain in a non-interest bearing cash collateral account any money received by it and need not apply the same to indebtedness secured hereby unless and until such application will cause all indebtedness secured hereby to be paid in full.

Bank shall be under no duty or obligation whatsoever to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any obligations or evidences of indebtedness held by Bank as collateral, or in connection with any obligations or evidences of indebtedness which constitute in whole or in part the indebtedness secured hereunder.

Each of the undersigned waives any right to require Bank to (a) proceed against any person, (b) proceed against or exhaust any collateral, or (c) pursue any other remedy in Bank's power; and waives any defense arising by reason of any disability or other defense of any other of the undersigned or any other person, or by reason of the cessation from any cause whatsoever of the liability of any other of the undersigned or any other person. Until all indebtedness shall have been paid in full: None of the undersigned shall have any right of subrogation, and each of the undersigned waives any right to enforce any remedy which Bank now has or may hereafter have against any other of the undersigned or against any other person and waives any benefit of and any right to participate in any collateral or security whatsoever now or hereafter held by Bank. Each of the undersigned authorizes Bank, without notice or demand and without affecting his liability hereunder or on the indebtedness, from time to time to (a) renew, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of the indebtedness or any part thereof, including increase or decrease of the rate of interest thereon; (b) take and hold security, other than the collateral herein described, for the payment of the indebtedness or any part thereof, and exchange, enforce, waive and release the collateral herein described or any part thereof or any such other security; (c) apply such collateral or other security and direct the order of manner of sale thereof as Bank in its discretion may determine; and (d) release or substitute any other of the undersigned, or any of the endorsers or guarantors of the indebtedness or any part thereof, or any other parties thereto.

Bank may at any time deliver the collateral or any part thereof to any of the undersigned and the receipt of any of the undersigned shall be a complete and full acquittance for the collateral so delivered, and Bank shall thereafter be discharged from any liability or responsibility therefor.

(OVER)

The undersigned agrees to pay prior to delinquency all taxes, charges, liens and assessments against the collateral, and upon the failure of the undersigned to do so Bank at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same.

All advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Bank in exercising any right, power or remedy conferred by this agreement, or in the enforcement thereof, shall become a part of the indebtedness secured hereunder and shall be paid to Bank by the undersigned immediately and without demand, with interest thereon at prevailing rate determined by the Bank.

The occurrence of any of the following shall be a default under this agreement: (a) failure to pay up any debt secured hereby when due; (b) failure to perform any other obligation secured hereby when the same should be performed; (c) breach of any warranty contained herein; (d) filing of a petition by or against the undersigned under the bankruptcy or like law, receivership, or assignment for the benefit of creditors; (e) attachment or like levy on any property of the undersigned; (f) the occurrence of an adverse change in the financial condition of the undersigned deemed material to Bank; (g) any financial statement made by the undersigned to Bank proves false; or (h) the collateral becomes, in the judgment of Bank, unsatisfactory in character or value; (i) the occurrence of any sale of all or a substantial part of the assets of the undersigned, other than in the ordinary course of business, or (j) the death, insolvency or cessation of business of the undersigned, or any surety or guarantor of any obligation of the undersigned to Bank.

Upon the happening of any default Bank may declare immediately due and payable all indebtedness secured hereby and shall have all rights and remedies provided by law. Any public sale may be held at any branch office of Bank.

Any married woman who signs this agreement hereby expressly agrees that recourse may be had against her separate property for all her indebtedness to Bank secured by the collateral under the terms of this agreement.

Upon the transfer of all or any part of the indebtedness Bank may transfer all or any part of the collateral and shall be fully discharged thereafter from all liability and responsibility with respect to such collateral so transferred, and the transferee shall be vested with all the rights and powers of Bank hereunder with respect to such collateral so transferred; but with respect to any collateral not so transferred Bank shall retain all rights and powers hereby given.

This is a continuing agreement and all the rights, powers and remedies hereunder shall apply to all past, present and future indebtedness of the undersigned to Bank, including that arising under successive transactions which shall either continue the indebtedness, increase or decrease it, or from time to time create new indebtedness after all or any prior indebtedness has been satisfied, and not withstanding the death, incapacity or bankruptcy of the undersigned or any other event or proceeding affecting the undersigned.

Until all indebtedness shall have been paid in full the power of sale and all other rights, powers and remedies granted to Bank hereunder shall continue to exist and may be exercised by Bank at any time and from time to time irrespective of the fact that the indebtedness or any part thereof may have become barred by any statute of limitations, or that the personal liability of the undersigned may have ceased.

The rights, powers and remedies given to Bank by this agreement shall be in addition to all rights, powers and remedies given to Bank by virtue of any statute or rule of law. Bank may exercise its banker's lien or right of setoff with respect to the indebtedness in the same manner as if the indebtedness were unsecured. Any forbearance or failure or delay by Bank in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of Bank shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by Bank.

In all cases where but one party executes this agreement all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require; when this agreement is executed by more than one party all reference to the undersigned shall mean all or any one or more of them. The obligations and agreements of the undersigned hereunder are joint and several.

IN WITNESS WHEREOF, the undersigned have executed this agreement this 29th day of January, 19 70.

American IBC Corp

Sheldon Silverston, President

DUNNINGTON, BARTHOLOW & MILLER
161 EAST 42ND STREET
NEW YORK, N.Y. 10017

ALBERT E. AMOS
GEORGE BOYD, JR.
WILLIAM M. BRADNER, JR.
JOHN BROADBENT
WILLIAM E. DONOVAN
WALTER G. DUNNINGTON, JR.
FRANK M. FOLEY
GEORGE W. GOWEN
W. BYRON KANTACK
ROBERT T. LINCOLN
KENNETH L. MacCARDLE
RICHARD E. RIEDER
WILLIAM F. SAUNDERS
FRANK A. F. SEVERANCE
JOHN W. SHROYER
CHARLES L. STEWART
JOHN A. STICHTER
MICHAEL B. WE[illegible]R
JOHN K. WHELAN

WALTER G. DUNNINGTON
1891-1971
THEODORE J. MILLER
1901-1959
BENJAMIN H. BARTHOLOW
IRVING H. BULL
WILLIAM H. RADEBAUGH
OF COUNSEL

TELEPHONE
682-8811
(AREA CODE 212)

CABLE ADDRESS
"DUNBARTH"

B

for Exhibit Volume

May 20, 1976

HAND DELIVERY

Clerk of the Court
Court of Appeals for
the Second Circuit
Foley Square
New York, NY 10007

Re: Miller v. Wells Fargo Bank
International Corp.
Docket No.: 76-5004

Dear Sir:

I am an attorney associated with the firm of Dunnington, Bartholow & Miller, attorneys for Wells Fargo Bank International Corp. in the above case.

On April 12, 1976, we filed copies of our brief, together with the joint appendix and exhibit volume. Upon review of these documents, we realized that Defendant's Exhibit F on page 181 of the exhibit volume was not reproduced very clearly. Because we believe this document is important to the Court's disposition of this matter, I am enclosing a clear and legible copy thereof.

Dunnington, Bartholow & Miller

By Roger R Crane Jr
Roger R. Crane, Jr.

mjc
Enclosure
cc -- Weil, Gotshal & Manges
767 Fifth Avenue
New York, NY 10022

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E 1

PLAINTIFF'S EXHIBIT 1

FLFT'S EX. 8 (a)
11/6/74 AP

BY HAND

American IBC Corp.

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

SHELDON SILVERSTON
PRESIDENT

TELEPHONE (212) 486-1212

April 30,1973

Wells Fargo Bank
International Corporation
40 Wall Street
New York, New York 10005

Att: Mr. William F. Boland
Vice-President

Gentlemen:

We confirm to you our borrowing from you and lodging with you as collateral for such borrowing, a Swiss Franc time deposit, as detailed below.

We have borrowed from you the sum of $1,000,000 U.S. currency, value May 3,1973 at interest rate of 8% per 360 days.

Our borrowing is for a period of 182 days.

On May 3, 1973 kindly deliver the sum of $1,000,000 to the Chase Manhattan Bank for credit to the account of Swiss Credit Bank, Zurich, reference American IBC Corp.

Swiss Credit Bank Zurich, is delivering for value May 3, 1973 the sum of 3,240,000 Swiss Francs to Swiss Bank Corp. Zurich in favor of Wells Fargo Luxembourg, ref. American IBC Corp. This Swiss Franc sum is placed on time deposit value May 3, 1973 until November 3, 1973 at an interest rate of 4.25% per annum. This deposit is lodged with you as collateral for the One Million Dollar loan and is subordinated to such loan.

We have sold to Swiss Credit Bank, Zurich, 3,308,850 Swiss Francs value November 2, 1973 for $1,042,814.37 U. S. funds. You will note the sum of Swiss Francs is equal to the time deposit plus interest earned thereon for the period ending

(Cont....

CABLE SHELSILVER • TELEX [illegible]

BEST COPY AVAILABLE

E 2

Plaintiff's Exhibit 1

Mr. W.F. Boland

value November 2, 1973.

We ask you to instruct Wells Fargo Luxembourg for us, to deliver this sum through Swiss Bank Corp. Zurich, to Swiss Credit Bank, Zurich in favor of American IBC Corp. attention Mr. Ribi. We have instructed Swiss Credit Bank to deliver to Wells Fargo Bank International Corp. New York, value November 2,1973, the sum of US$1,042,814.37.

Please utilize the above sum as follows:

1) Reimburse yourselves One Million Dollars (1,000,000 US funds) principal amount.

2) Reimburse yourself for the 182 days interest totaling $40,444.44.

3) Credit our account with you with the difference i. e. $2,369.93.

Very truly yours,

AMERICAN IBC CORP

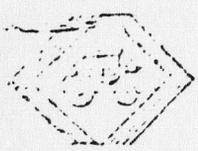
Sheldon Silverston

Sheldon Silverston
President

SS/la

E 3

PLAINTIFF'S EXHIBIT 2



WELLS FARGO BANK
INTERNATIONAL
40 Wall Street • New York, N.Y. 10005

PLFT'S EX. 9(a)(1)
11/6/74 DF

WILLIAM F. DOLAND
Vice President

May 2, 1973

Mr. Sheldon Silverston
President
American I.B.C. Corp.
770 Lexington Avenue
New York, N.Y. 10021

Dear Mr. Silverston :

Confirming our telephone conversation of April 30, 1973-we agree to lend you $1,000,000 on May 3rd, 1973, at 8% p.a. on a 360-day basis.

The proceeds of our advance will be transferred to Chase Manhattan Bank, for credit of Swiss Credit Bank, Zurich, for account of American I.B.C. Corp. In return, Swiss Credit Bank, Zurich, will deliver on May 3rd, 1973, Sw.Fr.3,240,000 to Swiss Bank Corp., Zurich, in favour of Wells Fargo Bank, Luxembourg, in order to establish a time deposit to mature November 2nd, 1973, bearing interest at 4¼% p.a.

You have agreed to lodge with us as collateral the Swiss Franc time deposit as outlined in your letter dated April 30, 1973. We are enclosing our usual 'Advance Agreement' along with our time note for your execution.

As requested in your letter of April 30th, we have requested Wells Fargo Bank, Luxembourg, to repay through Swiss Bank Corp., Zurich, delivering the dollar equivalent to WFBI, New York, on November 2nd 1973, proceeds of which are to be utilized as follows :

- $1,000,000 - reimbursement to WFBI of principal amount.

- $ 40,444.44 - payment to WFBI for 182 days interest.

- $ 2,369.93 - credit to your account with WFBI.

We wish to quote to your our telex sent to Wells Fargo Bank, Luxembourg, on May 1, 1973.

./...

E 4

Plaintiff's Exhibit 2

BANK INTERNATIONAL

Mr. S. Silverston, N.Y. (cont.) 5/2/73

quote

WELLS FARGO BANK, LUXEMBOURG

RE OUR TELEPHONE CONVERSATION 4/30/73 WE CONFIRM SWISS FRANCS TIME DEPOSIT 3,240,000 VALUE 5/3/73 PERIOD 182 DAYS MATURING NOVEMBER 2, 1973 RATE 4 1/8 (*) PERCENT P.A.
SWISS FRANCS WILL BE CREDITED YOUR ACCOUNT AT SWISS BANK CORP. ZURICH BY ORDER SWISS CREDIT BANK ZURICH BY ORDER AMERICAN I.B.C. 770 LEXINGTON AVE., N.Y. AT MATURITY PAY PRINCIPAL PLUS INTEREST TO SWISS CREDIT BANK ZURICH, ATTENTION MR. RIBI SWISS FRANCS 3,308,850 CREDIT DOLLAR EQUIVALENT 1,042,814.37 TO WFBI FOR ACCOUNT AMERICAN I.B.C. ATTENTION BOLAND.

unquote

(*) Increased rate to 4⅛% re telephone conversation on 4/30/73.

Kindly execute the enclosed documents and return same to us. If you agree with the above details please confirm by signing the enclosed copy of this letter and return to us.

With best regards.

Yours truly,

Encl.
WFB:mg

E 5

PLAINTIFF'S EXHIBIT 3

WELLS FARGO BANK N.A.

P.O. BOX 2062
TELEX 232
OR 206

SINCE 1852

LUXEMBOURG

TELEPHONE
29202

WE SHALL INSTRUCT

SWISS BANK CORPORATION
3 PARADEPLATZ
8021 ZURICH
SWITZERLAND

CONTRACT No.
427d1

TODAY'S DATE
30 04 73

CA

TO PAY TO

AMERICAN I B C NEW YORK
770 LEXINGTON AVENUE NYK
ZIP 10021 NEW YORK
USA

IF THIS TRANSACTION IS NOT IN ORDER PLEASE TELEPHONE OR CABLE US IMMEDIATELY

WE CONFIRM HAVING ACCEPTED FROM YOU THROUGH

CURRENCY	PRINCIPAL/CURRENCY
S.F.	3.240.000,00

VALUE DATE	MATURITY DATE	RATE		INTEREST
03 05 73	04 11 73	4,25[illegible]000		69.997,50
BROKER			CURRENCY	TOTAL/COUNTER VALUE
			S.F.	3.309.997,50

F 2184

FREE & MARKET

AUTHORIZED SIGNATURE

E 5

PLAINTIFF'S EXHIBIT 3

PLEASE PAY TO OUR A/C TO

CRPERATION

Z

OUR CORRESPONDENT

SWISS BANK CORPORATIC

PARADEPLATZ
8001 ZURICH
SWITZERLAND

PAYMENT TO BE MADE BY

CUSTOMER'S CORRESPONDENT

CURRENCY

[illegible],00

REST

997,00

NTER VALUE

997,50

PER

T.D

US.D

7735

AUTHORIZED SIGNATURE

NO 0039677

Plaint. Hs Ex. 3

E 6

PLAINTIFF'S EXHIBIT 4

Since 1852

WELLS FARGO BANK

NATIONAL ASSOCIATION

LUXEMBOURG OFFICE
22, RUE ZITHE,
LUXEMBOURG - VILLE
GRAND DUCHY

AMERICAN IBC NEW YORK
770 LEXINGTON AVENUE
NEW YORK ZIP 10021
NEW YORK

Luxembourg 3RD AUGUST 1973

Dear Sirs,

We have not yet received from you confirmation of the undermentioned contract. Will you please send us duplicate confirmation as soon as possible.

Details	Value date	Mat.date	Amount	Rate
42781	03 05 73	02 11 73	SF3.240.000,-	4,25000

Yours faithfully,

P. URHAUSEN
ACCOUNTING OFFICER

PROMISSORY NOTE

$ 1,000,000.00

New York, N. Y. May 3 19 73

November 2 19 73, for value received, the undersigned, a corporation promises to pay to

ORDER OF WELLS FARGO BANK INTERNATIONAL

Offices 40 Wall Street, New York, N. Y.

sum of ----------ONE MILLION---------- Dollars

interest thereon at the rate of 8 per centum per annum from the date hereof payable At Maturity both principal and interest in lawful money of the United States of America. Should default be made in the payment of interest when due, then or at any time during such default the entire amount said principal and interest shall at the election of the holder hereof and without notice become immediately due and payable. If suit be brought on this note to enforce payment the undersigned promises to pay a reasonable counsel fee.

(SEAL)

AMERICAN I.B.C. CORPORATION

Secretary

By President

(11/71) IM

PLFF'S EX. 12(d)
11/6/74 AF

E 1

PLAINTIFF'S EXHIBIT 5

BEST COPY AVAILABLE

E 8

PLAINTIFF'S EXHIBIT 6

ADVANCE ACCOUNT AGREEMENT

To: WELLS FARGO BANK INTERNATIONAL [redacted]
NEW YORK, N. Y.

As secured party, you are hereby authorized to establish an account or accounts in the name of the undersigned to be designated "Advance Account" and against which you shall debit all drafts drawn on you by us and all advances of every kind and nature which you make to us or at our direction or on our behalf.

We agree to repay you, upon demand, the total sum of any and all advances made by you together with interest thereon at the rate of Eight per cent (8 %) per annum or at such other rate or rates of interest as may be from time to time agreed upon by our mutual consent. The maximum aggregate amount of all advances made hereunder shall not exceed the sum of $1,000,000.00 _____.

You shall have the right to terminate this agreement at any time, with or without notice. We will pay, on demand, all costs and expenses, including a reasonable counsel fee incurred or paid by you in the enforcement of this agreement by suit or otherwise.

At your request we shall execute and deliver to you a promissory note for the then balance in the Advance Account, which note shall be payable on demand and bear interest as aforesaid. If in connection with advances made hereunder you deliver, or cause to be delivered, goods or documents to us, we shall execute and deliver to you trust receipts therefor. We grant you a security interest in all documents which come into your possession or the possession of any correspondent or agent of yourself or which we receive by reason of payment by you of our drafts hereunder, and also in all goods covered by such documents, whether or not released to us or to any other person at our request on trust receipt, bailee receipt or otherwise, and in and to all proceeds of the foregoing, all as security for the payment and performance of all obligations and liabilities of us or any of us hereunder. All drafts or other evidences of indebtedness incurred in connection herewith may be retained by you until repayment is made by us as aforesaid.

Dated _____

At _____

AMERICAN I.B.C. CORPORATION
Borrower

_____
Authorized Signature

On November 2, 19 73, for value received, the undersigned, a corporation promises to pay to

ITS ORDER OF WELLS FARGO BANK INTERNATIONAL

at its offices 40 Wall Street, New York, N. Y.

the sum of ----------ONE MILLION---------- Dollars

with interest thereon at the rate of 8 per centum per annum from the date hereof payable At Maturity both principal and interest payable in lawful money of the United States of America. Should default be made in the payment of interest when due, then or at any time during such default the entire amount of unpaid principal and interest shall at the election of the holder hereof and without notice become immediately due and payable. If suit be brought on this note to enforce payment then the undersigned promises to pay a reasonable counsel fee.

(SEAL)

AMERICAN I.B.C. CORPORATION

By _____ Secretary

By Sheldon Silverstein President

18-01-(11/71) 1M

E 9

PLAINTIFF'S EXHIBIT 7

E 10

PLAINTIFF'S EXHIBIT 8

ADVANCE ACCOUNT AGREEMENT

To: WELLS FARGO BANK INTERNATIONAL [redacted]
NEW YORK, N. Y.

As secured party, you are hereby authorized to establish an account or accounts in the name of the undersigned to be designated "Advance Account" and against which you shall debit all drafts drawn on you by us and all advances of every kind and nature which you make to us or at our direction or on our behalf.

We agree to repay you, upon demand, the total sum of any and all advances made by you together with interest thereon at the rate of Eight per cent (8 %) per annum or at such other rate or rates of interest as may be from time to time agreed upon by our mutual consent. The maximum aggregate amount of all advances made hereunder shall not exceed the sum of $1,000,000.00 ———.

You shall have the right to terminate this agreement at any time, with or without notice. We will pay, on demand, all costs and expenses, including a reasonable counsel fee incurred or paid by you in the enforcement of this agreement by suit or otherwise.

At your request we shall execute and deliver to you a promissory note for the then balance in the Advance Account, which note shall be payable on demand and bear interest as aforesaid. If in connection with advances made hereunder you deliver, or cause to be delivered, goods or documents to us, we shall execute and deliver to you trust receipts therefor. We grant you a security interest in all documents which come into your possession or the possession of any correspondent or agent of yourself or which we receive by reason of payment by you of our drafts hereunder, and also in all goods covered by such documents, whether or not released to us or to any other person at our request on trust receipt, bailee receipt or otherwise, and in and to all proceeds of the foregoing, all as security for the payment and performance of all obligations and liabilities of us or any of us hereunder. All drafts or other evidences of indebtedness incurred in connection herewith may be retained by you until repayment is made by us as aforesaid.

Dated 4 MAY 1973

At New York

AMERICAN I.B.C. CORPORATION
Borrower

by [redacted]
Authorized Signature President

E 11

PLAINTIFF'S EXHIBIT 9

PLT'S EX. 4(cd)
11/26/74 AF

American IBC Corp.

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

SHELDON SILVERSTON
PRESIDENT

May 15, 1973

TELEPHONE (212) 486-1212

Wells Fargo Bank
International Corporation
40 Wall Street
New York, N.Y. 10005

Attention: Mr. William F. Boland
Vice-President

Gentlemen:

We confirm having borrowed from you the sum of One Million Dollars U.S. funds value May 17, 1973, maturity November 19, 1973, at an interest rate of 8.5% per 360 days.

Kindly deliver this One Million Dollars to Chase Manhattan Bank New York in favor of Swiss Credit Bank Zurich, reference American IBC Corp., value May 17, 1973.

For your information we have instructed Swiss Credit Bank, Zurich to pay Wells Fargo Bank International Corp. New York the sum of $1,046,894.05 value November 19th ,1973. A copy of these instructions is attached.

On November 19th upon receipt of the foregoing funds in our favor, kindly debit our account the One Million Dollars Principal borrowing plus interest at 8.5 pct. for 360 days for the 186 days i.e. $43,916.67, crediting the balance of the funds to our account with you.

For your information we also attach copies of documents pertaining to this transaction including:

1) Our purchase of Swiss Francs from Swiss Credit Bank value May 17.

2) Our instructions to Swiss Credit Bank to deliver the Swiss Francs to the account of United California Bank for Time Deposit.

(Cont....

E 12

Plaintiff's Exhibit 9

Mr. William F. Boland

3) Our instructions to United California Bank London to pay the Swiss Francs principal and interest to Swiss Credit Bank, Zurich value November 19.

4) Our purchase of dollars from Swiss Credit Bank, Zurich with the above Swiss Francs proceeds and instructions to Swiss Credit Bank, Zurich, to pay you the full dollar proceeds in New York.

Very truly yours,

AMERICAN IBC CORP

Sheldon Silverston
President

SS/la
Attached.

E 13

PLAINTIFF'S EXHIBIT 10

PLFT'S EXH'S 10 & 11
11/6/74 BP

MAY 15, 1973

CREDIT

INCL. #1 AND #2

- - -

ATTENTION MR. MIMI

TELEX NO. 81501

TEXT KEY 712

WE CONFIRM WE HAVE PURCHASED FROM YOU 3,130,000 SWISS FRANCS VALUE 17 MAY 1973 AT THE RATE OF 3.13 SFRANCS EQUAL ONE DOLLAR U.S. FUNDS. WE HAVE INSTRUCTED WELLS FARGO BANK INT'L CORP. TO PAY ONE MILLION U.S. DOLLARS IN YOUR FAVOR REFERENCE AMERICAN IBC CORP TO CHASE MANHATTAN BANK, VALUE 17 MAY 1973. PLEASE CREDIT THE AMOUNT OF UNITED CALIFORNIA BANK LONDON WITH YOU VALUE MAY 17, 1973 REF: AMERICAN IBC CORP WITH THE SUM OF 3,130,000 SFRANCS.

SHELDON SILVERSTON, PRESIDENT

AMERICAN IBC CORP

MAY 15, 1973

CREDIT

- - -

ATTN: MR MIMI

INCL #4

TELEX NO. 81501

TEXT KEY 707

WE CONFIRM WE HAVE SOLD TO YOU 3,131,567.32 SWISS FRANCS VALUE [illegible] 1973 AT THE EXCHANGE RATE OF 3.13 SFRANCS EQUAL ONE [illegible]

BEST COPY AVAILABLE

E 14

Plaintiff's Exhibit 10

(Conformed Copy)

- - -

ATTENTION MR RIBI

TELEX NO. 51501

TEXT KEY 712

WE CONFIRM WE HAVE PURCHASED FROM YOU 3,130,000 SWISS FRANCS VALUE 17 MAY 1973 AT THE RATE OF 3.13 SFRANCS EQUAL ONE DOLLAR U.S. FUNDS. WE HAVE INSTRUCTED WELLS FARGO BANK INT'L CORP. TO PAY ONE MILLION U.S. DOLLARS IN YOUR FAVOR REFERENCE AMERICAN IBC CORP TO CHASE MANHATTAN BANK, VALUE 17 MAY 1973.

PLEASE CREDIT THE AMOUNT OF UNITED CALIFORNIA BANK LONDON WITH YOU VALUE MAY 17, 1973 REF: AMERICAN IBC CORP WITH THE SUM OF 3, 130,000 SFRANCS.

SHELDON SILVERSTON, PRESIDENT

AMERICAN IBC CORP

MAY 15, 1973

CREDIT

- - -

(rest of document illegible)

E 15

PLAINTIFF'S EXHIBIT 11

[illegible] 17, 1973 REF: AMERICAN I C CORP WITH THE [illegible]

[illegible] U.S.

SHELDON HILLERSTON, PRESIDENT

AMERICAN INC CORP

PLFF'S EX 61A
11/6/74 DP

DAY [illegible]

ORIGIN:

- - -

ATTN: MR RIPI

TELE: NO. 81542

INCL #4

TEXT AMI 997

WE CONFIRM HAVING SOLD TO YOU 3,132,557.92 SWISS FRANCS VALUE

NOVEMBER 19TH, 1973 AT THE EXCHANGE RATE OF 3.04 SFRANCS EQUAL ONE

DOLLAR U.S. FUNDS.

THE UNITED CALIFORNIA BANK LONDON HAS BEEN INSTRUCTED TO DELIVER THE

ABOVE S.F. IN SFRANCS TO YOU VALUE NOVEMBER 19TH REFERENCE AMERICAN

INC CORP.

KINDLY DELIVER THE COUNTERVALUE IN U.S. FUNDS (1,040,694.85 DOLLARS)

TO WORLD BANK INTER'L CORP. IN FAVOR OF AMERICA N INC CORP

VALUE NOVEMBER 19, 1973.

SHELDON HILLERSTON, PRESIDENT

AMERICAN INC CORP

PLEASE [illegible] THE TWO DIFFERENT MESSAGES TO MR RIPI PL

[illegible]

[illegible]

[illegible]

[illegible]

BEST COPY AVAILABLE

E 16

Plaintiff's Exhibit 11

(Conformed Copy)

- - -

ATTN: MR RIBI

TELEX NO. 51592

TEXT KEY 997

WE CONFIRM HAVING SOLD TO YOU 3,182,557.92 SWISS FRANCS VALUE NOVEMBER 19TH, 1973 AT THE EXCHANGE RATE OF 3.04 SFRANCS EQUAL ONE DOLLAR U.S. FUNDS.

THE UNITED CALIFORNIA BANK LONDON HAS BEEN INSTRUCTED TO DELIVER THE ABOVE (illegible) IN SFRANCS TO YOU VALUE NOVEMBER 19TH REFERENCE AMERICAN IBC CORP.

KINDLY DELIVER THE COUNTERVALUE IN U.S. FUNDS (1,046,894.35 DOLLARS) TO WELLS FARGO BANK INTER'L CORP. IN FAVOR OF AMERICAN IBC CORP VALUE NOVEMBER 19, 1973.

SHELDON SILVERSTON, PRESIDENT

AMERICAN IBC CORP

(rest of document illegible)

E 17

PLFT'S EX. 7 (a)
11/6/74 :AP

INCL #3

PLAINTIFF'S EXHIBIT 12

American IBC Corp.

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

SHELDON SILVERSTON
PRES DEV

May 15, 1973

TELEPHONE (212) 486-1212

United California Bank London
35/39 Moorgate
London E.C. 2 R6BD
E n g l a n d

Gentlemen:

We confirm having placed with you a Swiss Franc Time Deposit in the sum of 3,130,000 Swiss Francs as follows:

Value date: 17 May, 1973

Maturity: 19 November 1973

Interest rate: 3.25 pct. per 360 days

Amount of interest: 52,557.92 Swiss Francs

We have instructed Swiss Credit Bank Zurich, to credit your account with them under our reference with the sum of 3,130,000 Swiss Francs value 17 May 1973.

At maturity, kindly pay the sum of 3,182,557.92 Swiss Francs to Swiss Credit Bank, Zurich, attention: Mr. Ribi, in favor of American IBC Corp.

Very truly yours,

AMERICAN IBC CORP

Sheldon Silverston
President

SS/la
ccs: Swiss Credit Bank (Zurich)
Wells Fargo Bank (New York)
Meridian Deposit (London)

E 18

PLAINTIFF'S EXHIBIT 13

American IBC Corp. 11/14/74 CS

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

March 14, 1973

SHELDON SILVERSTON
PRESIDENT

TELEPHONE (212) 486-1313

Milton Schwartz, Esq
1 Wall Street
New York, New York 10005

Dear Milton:

To keep you up-to-date re Colombia.

1- Gustavo Arango, Wells representative in Colombia, tells me that Ospina and Lara are running around Colombia saying "they borrowed the money for the purchase of the bank and the land, and we, American IBC have nothing to do with it."

2- Arango spoke with the attorney he recommended (we did not know of this), who stated that he would like to review the papers.

3- Ospina and Lara probably tried to make a deal with United Fruit Colombia. Colombia has no authority. United Fruit Colombia telexed United Fruit Boston saying Ospina and Lara urgently want to have a meeting in Boston at any date convenient to United Fruit. United Fruit Boston cabled back that they will advise them in the future about what date would be convenient, since some of the officers involved are traveling.

4- Boston naturally wants to talk to me first. Further, they think that if they agree to meet with Ospina and Lara that I should be present.

Ed. Gibbons, Financial Vice President of the United Brands will be visiting with me on Monday afternoon in New York. Apparently the Colombians have taken the bull by the horns and are going to try to reach a direct settlement with Boston. If they reached a direct settlement, and we

Trustees EXH 10 FOR ID.
DATE 10-8-74
MARVIN A. MORGENTHAU

(over)

CABLE: SHELSILVER • TELEX: 420101 AIBC-420101 IBC-233781 IBC-710581-4273 SHELSILVER

E 19

Plaintiff's Exhibit 13

[illegible] Corp.

-2- cont. March 14, 1973

Milton Schwartz, Esq

got off our guarantee, it would blow our chances in Colombia, but relieve our obligations here. On the other hand, their reaching a settlement would be doubtful under the circumstances, as with the American IBC guarantee Boston would make a settlement more difficult for the Colombians.

If we could solve the Banco de La Republica matter, and get off our guarantee with United Fruit Boston, offering them further incentive of Ospina, Lara notes, I would do it, but unfortunately the Banco de La Republica matter would remain unresolved if a direct settlement were made between Ospina, Lara and United Brands.

Regards,

Sincerely,

Sheldon Silverston

SS/mmg

BEST COPY AVAILABLE

E 20

PLAINTIFF'S EXHIBIT 14

April 25, 1973 - (1)

Memorandum of understanding between American IBC Corp. (AIBC) and Luis Lara R., Rongale Espinal and Inversiones IBC Ltda. (Colombia)

Colombia agrees to pay AIBC the sum of $1,000,000.00 U.S. funds under the following terms and conditions:

1. Colombia shall deliver the sum of $100,000.00 U.S. funds to Wells Fargo Bank International 40 Wall Street New York N.Y.

2. Colombia shall further deliver to Wells Fargo promissory notes totalling $900,000.00 U.S. funds, said notes to be signed by Inversiones IBC Ltda. with personal guarantees of Luis Lara R. & Rongale Espinal R., all signatures to be guaranteed by a New York Bank.

3. The promissory notes shall be as follows:

1) May 12, 1974	$100,000	5) May 12, 1976	$200,000
2) Nov. 12, 1974	100,000	6) Nov. 12, 1976	100,000
3) May 12, 1975	100,000	7) May 12, 1977	200,000
4) Nov. 12, 1975	100,000	8) Nov. 12, 1977	50,000

E 21

Plaintiff's Exhibit 14

(R)

April 25, 1973

Memorandum of understanding - continued -

4. FIBC shall deliver to Wells Fargo nine previously executed notes of Inversiones FBC Ltda., with the personal guarantees of Luis Sara R. and Angelo Capira D., said notes totaling $1,350,000 U.S. funds (four notes in amount of $250,000 and five notes in amount of $50,000 each). Furthermore, these notes shall be held in escrow by Wells Fargo pursuant to the terms of this Escrow.

5. FIBC shall obtain an agreement with United Brands/Sevilla de Fruteria, which agreement shall settle the debt of FBC Colombia Ltda. with Sevilla de Fruteria and said settlement shall be on the basis of delivery to Sevilla de Fruteria of a portion of land located in Urabe near Turbo Area, or a mortgage thereon or on some other basis acceptable to all of the parties.

1/

E 22

Plaintiff's Exhibit 14

(3)

April 25, 1973

Memorandum of understanding - continued -

6. The parties agree that all cash, promissory notes and instructions described herein shall be delivered to Wells Fargo on or before May 25, 1973.

7. The parties agree to instruct Wells Fargo as follows:

A) After all cash, promissory notes and instructions are received by Wells Fargo - Wells Fargo shall pay to AIBC the $100,000 U.S. funds and retain all promissory notes in escrow.

B) AIBC shall have 120 days from the date of receipt of the $100,000 U.S. funds to obtain the agreement with United Brands / Seville de Fruta referred to in paragraph 5 above.

C) In the event AIBC obtains the agreement referred to in paragraph 5 within the 120 day period, Wells Fargo shall deliver to Chiquita the promissory notes referred to in paragraph 4 above and shall

E 23

Plaintiff's Exhibit 14

(74)

April 25, 1913

Memorandum of understanding continued

7. (c) (cont.) deliver to AIBC the eight notes referred to in paragraph 3 above.

(d) In the event AIBC does not obtain the agreement referred to in paragraph 5 within the 120 day period, Wells Fargo shall deliver to Columbia all of the notes referred to in paragraphs 3 and 4 above.

8. It is further understood, that in the event AIBC obtains a buyer for all or part of the stock in Baer Limied held by Columbia et al, Columbia will instruct said purchaser of stock to pay AIBC the sum of $500,000 U.S. funds in New York, and said sum of $500,000 U.S. funds shall be applied against promissory notes numbered 2, 3, 4, 7 and 8 as described in paragraph (c) above.

9. In the event AIBC desires directors qualifying shares, payment of sums due AIBC by Columbia shall be deducted and withheld accordingly.

E 24

PLAINTIFF'S EXHIBIT 15

American IBC Corp. Contrib

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

SHELDON SILVERSTON
PRESIDENT

TELEPHONE (212) 486-1212

May 1, 1973

Wells Fargo Bank
International Corporation
40 Wall Street
New York, New York 10005

Attention: Mr. William Boland
Vice-President

Gentlemen:

On or before May 25, 1973 you will receive:

1) The sum of $100,000 U.S. funds in favor of American IBC.

2) Eight (8) promissory notes made by Inversiones IBC with the personal guarantee of Luis Lara R and Gonzalo Ospina H.

The schedule of the promissory notes (maturities) are as follows:

1)	May 12, 1974	$100,000
2)	November 12, 1974	50,000
3)	May 12, 1975	150,000
4)	November 12, 1975	50,000
5)	May 12, 1976	200,000
6)	November 12, 1976	100,000
7)	May 12, 1977	200,000
8)	November 12, 1977	50,000

The notes are to read substantially as per the attached text. In addition signatures on the notes are to be guaranteed by a New York bank, or, by a Colombian bank, in which case the signature of the Colombian bank is to be guaranteed by a New York bank.

The funds as well as the promissory notes will be transmitted by a cover letter instructing you to put these funds and the promissory notes at our disposal provided that we have delivered to you nine (9) promissory notes of the same maker, as follows

(cont....

E 25

Plaintiff's Exhibit 15

American IBC Cos. - 2 -

four each in the sum of $250,000, maturing October12, 1973 and five (5) each in the sum of $50,000, first maturing October 12, 1973 and each maturing serially thereafter every 120 days.

After you receive the eight (8) notes enumerated above and the $100,000, we shall deliver to you the nine (9) notes specified in the previous paragraph.

Upon our delivery of the nine notes kindly credit the proceeds of the US$100,000 to our account with you.

Kindly retain the nine notes in escrow, releasing them to the maker or their nominees after payment to us of proceeds of the eight (8) new notes.

Within 120 days of your receipt of the $100,000 and the eight new notes, and our delivery to you of the nine notes, American IBC Corp. shall deliver to you an agreement with United Brands and/or Cia. Frutera de Sevilla under which agreement, the debt of IBC Colombia Ltda. to Cia Frutera de Sevilla will be settled on the basis of delivery to Sevilla of a portion of the land in the Santa Marta area known as Inca Inca, or a mortgage thereon, or some other basis acceptable to all parties. A memorandum exchanged between the United Brands and American IBC Corp. covering such agreement shall be sufficient.

In the event that American IBC Corp. fails to deliver such agreement to you within the 120 day period as specified above, you are then authorized to deliver the nine old notes and the eight new notes to the maker.

We would appreciate your prompt advice upon your receipt of the new notes and the US$100,000, so that we may immediately deliver the old notes to you.

Your cooperation is appreciated.

Very truly yours,

AMERICAN IBC CORP

Sheldon Silverston
President

SS/la

E 26

PLAINTIFF'S EXHIBIT 16

CREDIT AGREEMENT, dated as of June 20, 1973, by and between BANCO DE LA REPUBLICA, Bogota, Colombia (the "Creditor"), and AMERICAN I.B.C. CORP., 770 Lexington Avenue, New York, New York (the "Company").

WHEREAS, the Company is presently indebted to the Creditor in the amount of $597,415, which indebtedness is evidenced by a note of the Company payable to Irving Trust Company on June 30, 1973 (the "Old Note"); and

WHEREAS, the Company has advised the Creditor that it will be unable to pay the indebtedness on June 30, 1973, and has requested the Creditor to extend a portion of the indebtedness; and

WHEREAS, the Creditor is willing to grant an extension of a portion of the indebtedness (the "Extension") on the terms and conditions set forth herein,

NOW, THEREFORE, this instrument witnesseth:

1. Partial Payment and Exchange of Documents. The Company will pay to the Creditor $300,000 in New York clearing house funds in partial payment of the indebtedness and will deliver to Walsh & Frisch, as attorneys for the Creditor, (a) a new note, substantially in the form of Exhibit A hereto, evidencing the balance of the indebtedness, as extended, (the "New Note"), (b) an Affidavit of Confession of Judgment, sub-

TRUS EX 57 Id
JV2 6/20/74

stantially in the form of Exhibit B hereto (the "Confession of Judgment"), and (c) a Release, substantially in the form of Exhibit C hereto. Walsh & Frisch shall hold the documents so delivered by the Company until advised by National Bank of North America that it has received by tested telex a confirmation copy of a telex to be sent by the Creditor to the Bulgarian Foreign Trade Bank, Sofia, Bulgaria, substantially in the form of Exhibit D hereto. Upon receipt of advice from National Bank of North America that it has received the said confirmation copy, the Creditor shall deliver the Old Note to the Company and Walsh & Frisch may deliver to the Creditor the above described documents held by them.

2. Authorization to Enter Judgment. The Confession of Judgment delivered by the Company to the Creditor hereunder is to be held by the Creditor as security for the full and timely payment of the indebtedness evidenced by the New Note. Upon the happening of an event of default as defined in paragraph 6, the Creditor is hereby authorized without further notice or demand to enter judgment against the Company for the full amount of such indebtedness then remaining unpaid and to have execution thereon.

E 28

Plaintiff's Exhibit 16

3. Conditions to Extension. The obligation of the Creditor to grant the Extension is subject to the following conditions precedent:

(a) Compliance. On the date of the Extension the Company shall have complied and shall then be in compliance with all of the terms and conditions of this agreement binding upon it; there shall exist no event of default as defined in paragraph 6 and no event which, with the giving of the notice or the lapse of time, or both, would constitute such an event of default; and the representations and warranties contained in paragraph 4 shall be true with the same effect as though such representations and warranties had been made on the date of the Extension.

(b) Evidence of Corporate Action. The Creditor shall have received certified copies of all corporate action taken by the Company to authorize this Agreement, the New Note and the borrowing hereunder, the Confession of Judgment, and such other papers as the Creditor shall reasonably require.

(c) Opinion of Company Counsel. The Creditor shall receive a favorable written opinion from counsel for the Company, dated the date of the Extension and satisfactory in form and substance to the Creditor, as to the matters referred to in paragraph 4.

(d) Receipt of New Note. The Creditor shall have received the New Note.

(e) Receipt of Confession of Judgment. The Creditor shall have received the Confession of Judgment duly executed by the Company in favor of the Creditor; and

(f) Receipt of Release. The Creditor shall have received the Release duly executed by the Company in favor of the Creditor.

4. Representations of the Company. The Company represents and warrants to the Creditor that:

(a) Good Standing. The Company is a corporation duly organized and existing in good standing under the laws of Delaware, and the Company has the corporate power to own its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary.

(b) Corporate Authority. The Company has full power and authority to enter into this Agreement, to make the borrowing, to execute and deliver the New Note and the Confession of Judgment, and to incur the obligations provided for herein, all of which have been duly authorized by all necessary and

proper corporate action. No consent or approval of stockholders or of any public authority is required as a condition to the validity of this Agreement or the New Note or of the Confession of Judgment.

(c) Binding Agreement. This Agreement constitutes and the New Note and Confession of Judgment when issued and delivered pursuant hereto will constitute the valid and legally binding obligations of the Company enforceable in accordance with their terms.

(d) Litigation. There are no proceedings pending or threatened so far as the officers of the Company know before any court or administrative agency which in the opinion of the officers of the Company will materially adversely affect the financial condition or obligations of the Company, except for (i) the possibility of litigation arising out of a Mexican note owned by the Company in the amount of $83,000 which is presently in default, and (ii) the litigation instituted against the Company in the Supreme Court of the State of New York, County of New York, by United Brands Co., with respect to which the Company has furnished the Creditor with a copy of the complaint and order of attachment served upon it.

(e) No Conflicting Agreements. There is no charter, by-law or preference stock provision of the Company,

and no provision of any existing mortgage, indenture, contract or agreement binding on the Company or affecting its property, which would conflict with or in any way prevent the execution, delivery or carrying out of the terms of this Agreement, the New Note or the Confession of Judgment.

5. Affirmative Covenants. Until payment in full of the New Note and performance of all other obligations of the Company hereunder, the Company will:

(a) Pay Obligations. Pay all obligations as they become due, unless and to the extent only that such obligations shall be (i) renewed or extended in writing, or (ii) contested in good faith and by appropriate proceedings.

(b) Taxes. Pay and discharge all taxes, assessments and governmental charges upon it, its income and property prior to the date on which penalties are attached thereto, unless and to the extent only that such taxes shall be contested in good faith and by appropriate proceedings by the Company.

(c) Corporate Existence. Maintain its corporate existence in good standing.

6. Events of Default. If one or more of the following events of default shall occur:

(a) Default shall be made in the payment of the New Note when due and payable, whether at maturity or otherwise; or

(b) Default shall be made in due observance or performance of any term, covenant or agreement contained in this Agreement; or

(c) Any representation or warranty made by the Company herein or any statement or representation made in any certificate or opinion delivered pursuant hereto shall prove to be incorrect in any material respect when made; or

(d) The Company makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal (i) for a receiver or trustee of the Company or any substantial part of its property, or (ii) for any reorganization, arrangement, readjustment of debt or dissolution, or if there is commenced against the Company any such proceeding or if the Company by any act indicates consent to or acquiescence in any such proceeding; or

(e) Any judgment against the Company or its property for any amount in excess of $10,000 remains unpaid, undischarged, unbonded or undismissed for a period of 30 days;

then upon the happening of any of the foregoing events of default the New Note shall become and be immediately due and payable upon declaration to that effect delivered by the Creditor to the Company. The Company expressly waives any presentment, demand, protest or notice of any kind.

7. Obligations of the Creditor After Payment. Upon payment in full of the indebtedness, as extended, the Creditor will (a) send to each of the banks listed in Exhibit E hereto a letter substantially in the form of Exhibit F hereto advising them that the Company has fully discharged its obligations to the Creditor and, in the case of Manufacturers Hanover Trust Company, including the additional sentence: "This matter having been resolved, kindly disregard the letter of our Mr. Gama dated March 24, 1973"; (b) deliver to the Company a General Release executed by the Creditor in favor of the Company; and (c) return the Confession of Judgment to the Company.

8. Transfer of Financial Aller Clearing Dollars. The Creditor agrees that it will use its best efforts to restore and maintain an irrevocable transfer to the Bulgarian Foreign Trade Bank ("BFTB") of the credit for 650,000 financial aller clearing dollars held by the Creditor for the account of BFTB and transferred to the BFTB in or about September, 1972, and, subject to

payment in full of the indebtedness, the Creditor will indemnify and hold the Company harmless against any claims or demands made by the BFTB against the Company based upon any failure by the Creditor so to restore and maintain a transfer to the BFTB of that credit.

9. Miscellaneous.

(a) Expenses. The Company agrees to pay all expenses of the Creditor (including the reasonable fees and expenses of its counsel) in connection with the enforcement of this Agreement, the New Note and the Confession of Judgment.

(b) Cumulative Rights and No Waiver. Each and every right, power and remedy granted to the Creditor by this Agreement and the other documents contemplated herein, or allowed by law or equity, shall be cumulative and not exclusive the one of any other and may be exercised by the Creditor from time to time. No failure on the part of the Creditor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Creditor of any right hereunder preclude any other or future exercise thereof or the exercise of any other right.

(c) Applicable Law and Consent to Jurisdiction. This Agreement and the rights and obligations of the parties

hereunder shall be construed and interpreted in accordance with the laws of the State of New York. The Company consents to the jurisdiction of the Supreme Court of the State of New York, New York County, in any action brought against it under this Agreement or any of the documents delivered hereunder, and agree that a summons and complaint commencing an action or proceeding in such Court shall be properly served if served personally or by registered mail to American I.B.C. Corp., 770 Lexington Avenue, New York, New York.

(d) Execution of Credit Agreement. The within Agreement shall be executed on behalf of the Creditor by Jerome K. Walsh, as Attorney in Fact, and the Company shall be entitled to rely upon tested telex advice to National Bank of North America, Attention: E. Eklund, from the Creditor that the said Jerome K. Walsh is fully authorized so to act in the name of and on behalf of the Creditor. The Creditor undertakes and agrees to furnish to the Company an additional copy of this Agreement duly executed by an officer of the Creditor as promptly as possible.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

BANCO DE LA REPUBLICA

By_____

AMERICAN I.B.C. CORP.

By_____

E 36

Plaintiff's Exhibit 16

PROMISSORY NOTE

$297,415.00 June 20, 1973

AMERICAN I.B.C. CORP., a Delaware corporation, for value received, hereby promises to pay to the order of Banco de la Republica, at Irving Trust Company, One Wall Street, New York, New York, in lawful money of the United States, the principal sum of Two Hundred Ninety-Seven Thousand Four Hundred Fifteen Dollars, on December 31, 1973. This Note shall bear interest from date at the rate of 10% per annum on the unpaid principal amount, payable at maturity.

This Note is the New Note referred to in a Credit Agreement dated as of June 20, 1973, between American I.B.C. Corp. and Banco de la Republica and its maturity is subject to acceleration upon the terms provided in said Credit Agreement.

Presentment, demand for payment, protest and notice of non-payment and protest are hereby waived.

AMERICAN I.B.C. CORP.

by_____
President

EXHIBIT A

E 37

PLAINTIFF'S EXHIBIT 17

PROMISSORY NOTE

$297,415.00 June 20, 1973

AMERICAN I.B.C. CORP., a Delaware corporation, for value received, hereby promises to pay to the order of Banco de la Republica, at Irving Trust Company, One Wall Street, New York, New York, in lawful money of the United States, the principal sum of Two Hundred Ninety-Seven Thousand Four Hundred Fifteen Dollars, on December 31, 1973. This Note shall bear interest from date at the rate of 10% per annum on the unpaid principal amount, payable at maturity.

This Note is the New Note referred to in a Credit Agreement dated as of June 20, 1973, between American I.B.C. Corp. and Banco de la Republica and its maturity is subject to acceleration upon the terms provided in said Credit Agreement.

Presentment, demand for payment, protest and notice of non-payment and protest are hereby waived.

AMERICAN I.B.C. CORP.

by _____
President

Trus Ex 60 -Tc
-Rec 6/20/74

E 38

PLAINTIFF'S EXHIBIT 18

WELLS FARGO BANK
INTERNATIONAL
40 Wall Street • New York, N.Y. 10005

GEORGE J. HAWKINS
Vice President

August 3, 1973

Mr. Sheldon Silverston
President
American IBC Corp.
770 Lexington Avenue
New York, New York 10021

Re: Advance Number AD-3662
$1,000,000.00
Value May 17, 1973

Dear Shelly:

In reviewing our documentation we have noted that we do not have a promissory note nor an advance account agreement on the subject advance.

We would appreciate your signing the attached documentation and return it to us at your earliest convenience.

Very truly yours,

GJH:ame
Attachment

THIS EX 45 Id.
MK 6/13/74

E 39

Plaintiff's Exhibit 18

ADVANCE ACCOUNT AGREEMENT

To: WELLS FARGO BANK INTERNATIONAL CORPORATION
NEW YORK, N. Y.

As secured party, you are hereby authorized to establish an account or accounts in the name of the undersigned to be designated "Advance Account" and against which you shall debit all drafts drawn on you by us and all advances of every kind and nature which you make to us or at our direction or on our behalf.

Advance # AD-3662

We agree to repay you, upon demand, the total sum of ~~any and all advances~~ made by you together with interest thereon at the rate of Eight and One Half per cent (8 1/2 %) per annum or at such other rate or rates of interest as may be from time to time agreed upon by our mutual consent. The ~~maximum aggregate~~ amount of ~~all~~ the advances made hereunder ~~shall not exceed the sum of~~ is $ 1,000,000.00 _____.

You shall have the right to terminate this agreement at any time, with or without notice. We will pay, on demand, all costs and expenses, including a reasonable counsel fee incurred or paid by you in the enforcement of this agreement by suit or otherwise.

~~At your request we shall execute and deliver to you a promissory note for the then balance in the Advance Account, which note shall be payable on demand and bear interest as aforesaid. If in connection with advances made hereunder you deliver, or cause to be delivered, goods or documents to us, we shall execute and deliver to you trust receipts therefor.~~ We grant you a security interest in all documents which come into your possession or the possession of any correspondent or agent of yourself or which we receive by reason of payment by you of our drafts hereunder, and also in all goods covered by such documents, whether or not released to us or to any other person at our request on trust receipt, bailee receipt or otherwise, and in and to all proceeds of the foregoing, all as security for the payment and performance of all obligations and liabilities of us or any of us hereunder. All drafts or other evidences of indebtedness incurred in connection herewith may be retained by you until repayment is made by us as aforesaid.

Dated _____

At _____

AMERICAN I.B.C. CORPORATION
Borrower

_____
Authorized Signature

1-15

-3662

PROMISSORY NOTE

$ 1,000,000.00

New York, N. Y. May 17 19

On November 19 19 73, for value received, the undersigned, a corporation promises to pay to

THE ORDER OF WELLS FARGO BANK INTERNATIONAL

at its offices 40 Wall Street, New York, N. Y.

the sum of ----------ONE MILLION---------- Dolla

with interest thereon at the rate of 8 1/2 per centum per annum from the date hereof payable on Nov. 19,1973, both principal and inter payable in lawful money of the United States of America. Should default be made in the payment of interest when due, then or at any time during such default the entire amo of unpaid principal and interest shall at the election of the holder hereof and without notice become immediately due and payable. If suit be brought on this note to enforce payme then the undersigned promises to pay a reasonable counsel fee.

(SEAL)

AMERICAN I.B.C. CORPORATION

By ..... Secretary

By ..... President

F8-01-(11/71) 1M

E 40

Plaintiff's Exhibit 18

BEST COPY AVAILABLE

E 41

PLAINTIFF'S EXHIBIT 19

Mitteilung durch Fernschreibmaschine

Stellen von N. York

522638 skal ch

rca 02350 1044

235781 ibc ur

aug 29, 1973

credit

- - -

attn mr alfred vollenweider

test key number 823

msg no 841

reference your todays msg sal 692 using above test key for today

(29 aug)

1) please transfer the 75000 dollars accordance our yesterdays message number 828 in which incorrect test was used.

2) ucb nov 19 paying you 3,182,557.83 swiss francs representing 3,130,000 principal and 52,557.83 interest.

3) this sum of 3,182,557.83 sf sold you value 19 nov 1973 per our conversation with mr ribi and second telex of may 15 to mr ribi attn : at rate of 3.04 meaning for dlrs 1,046,898.05.

4) kindly utilize these dollars to repay all dollar advances (and interest thereon) made to american ibc corp.

regards

sheldon silverstein, president -

american ibc corp NYork

522638 skal ch

29 Aug 23 16 032

0175 79

Orig. bei Ak Ricky

E 42

PLAINTIFF'S EXHIBIT 20

A G R E E M E N T

This Agreement dated August 30, 1973 between NATIONAL BANK OF NORTH AMERICA (the "Bank"), 44 Wall Street, New York, New York, and AMERICAN IBC CORP., ("American"), having an office at 770 Lexington Avenue, New York, New York,

WHEREAS,

A. Heretofore American entered into contracts with the Bank whereby it agreed to sell and the Bank agreed to buy a total of 16,000,000 Swiss Francs for an aggregate purchase price of $4,439,300.

B. On the dates for delivery of said Francs, as provided for in the contracts, American failed to make delivery.

C. On account of American's failure to make delivery, the Bank was compelled to purchase 16,000,000 Swiss Francs in the open market at a total cost to it of $5,586,400.

D. On account of American's failure to make delivery, the Bank sustained damages in the total sum of $1,147,100 with interest on $340,700 from July 16, 1973; with interest on $290,000 from August 1, 1973 and with interest on $516,400 from August 13, 1973 (the "Obligation").

This EX 6 Jd
Am 6/20/74

E. American is desirous of paying the Obligation to the Bank but requests additional time in which to do so.

F. The Bank is willing to grant American such extension subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, and subject to all of the terms and conditions hereinafter set forth, the parties agree as follows:

1. American will make the following payments to the Bank:

A. The sum of $50,000 on August 31, 1973; and, in addition;

B. On the dates set forth below, American shall pay to the Bank the sums set forth below in United States Dollars at the rate prevailing for the purchase of Swiss Francs on the second business day prior to the date of payment:

(i) The sum of 15,111 Swiss Francs on September 3, 1973; and, in addition;

(ii) The sum of 34,166.67 Swiss Francs on September 13, 1973; and, in addition;

(iii) The sum of 26,694.44 Swiss Francs on September 16, 1973; and, in addition;

(iv) Interest for a period of 30 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs on October 1, 1973; and, in addition;

(v) Interest for a period of 30 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 8,000,000 Swiss Francs on October 13, 1973; and, in addition;

(vi) Interest for a period of 30 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs on October 16, 1973; and, in addition;

(vii) Interest for a period of 31 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs on November 1, 1973; and, in addition;

(viii) Interest for a period of 31 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 8,000,000 Swiss Francs on November 13, 1973; and, in addition;

(ix) Interest for a period of 31 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs on November 16, 1973; and, in addition;

(x) The sum of 4,000,000 Swiss Francs on November 30, 1973; and, in addition;

(xi) Interest for a period of 30 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs on November 30, 1973; and, in addition;

(xii) Interest for a period of 30 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 8,000,000 Swiss Francs on December 13, 1973; and, in addition;

(xiii) Interest for a period of 30 days at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs, on December 16, 1973; and, in addition;

(xiv) The sum of 4,000,000 Swiss Francs on December 31, 1973; and, in addition;

(xv) Interest for a period of 15 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs on December 31, 1973; and, in addition;

(xvi) Interest for a period of 31 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 8,000,000 Swiss Francs on January 13, 1974; and, in addition;

(xvii) The sum of 4,000,000 Swiss Francs on January 31, 1974; and, in addition;

(xviii) Interest for a period of 18 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs on February 1, 1974, and, in addition;

(xix) Interest for a period of 31 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs on February 13, 1974; and, in addition;

(xx) The sum of 4,000,000 Swiss Francs on February 28, 1974; and, in addition;

(xxi) Interest for a period of 15 days computed at the Eurofranc rate (as hereinafter defined) on the principal sum of 4,000,000 Swiss Francs, On February 28, 1974.

2. As used herein, the term "Eurofranc rate" shall mean the rate paid by Chase Manhattan Bank for 30 day Euro-Swiss Franc deposits on the second business day before any payment is due.

3. Simultaneously, with the execution of this Agreement, American

A. shall execute and deliver to the Bank a confession of judgment in the form annexed hereto as Exhibit A, and

B. shall cause IBC Commodity Corp. ("Commodity") to execute and deliver to the Bank a guaranty in the form annexed hereto as Exhibit B and a confession of judgment in the form annexed hereto as Exhibit C.

The Bank agrees that it will not enter or file said confessions of judgment unless an event of default (as hereinafter defined) shall have occurred.

4. American agrees that in the event that it or Commodity sells, assigns or transfers all or a substantial part of the business or assets of either of them to any other entity or individual, or changes its name, American shall cause such entity or individual to execute a guaranty and confession of judgment in the form of Exhibits B and C hereto.

5. In the event that American shall make all of the payments provided for in Paragraph "1" hereof and no event of default (as hereinafter defined) shall have occurred, and the total of the payments made pursuant to Paragraph 1 shall not equal the sum of $5,586,400, then American shall have the right to dispute its liability to the Bank for the difference between the amount of such payments and $5,586,400.

6. A. The occurrence of any one or more of the following events shall constitute a default hereunder:

(i) American shall fail to make any payment hereunder when due;

(ii) American shall fail to comply with any provisions of this Agreement;

(iii) American, Commodity, or Sheldon Silverston, President of American ("Silverston"), shall call a meeting of creditors;

(iv) American, Commodity or Silverston shall make an assignment for the benefit of creditors;

(v) American, Commodity or Silverston shall file or have filed against them a petition under any provision of the Bankruptcy Act, or any amendment thereto;

(vi) American, Commodity or Silverston shall apply for the appointment of a receiver;

(vii) A provisional remedy, as defined in Article 62 and 64 of the Civil Practice Law and Rules shall be granted in any action commenced against American, Commodity or Silverston, except that this provision shall not apply to an action heretofore commenced against American and Silverston by United Brands Company and Compania Fruitera de Sevilla in the Supreme Court, New York County, bearing Index Number 10786/73;

(viii) A judgment shall be entered in any action against American, Commodity or Silverston;

(ix) Silverston shall die;

(x) A default shall be declared in the payment of any other obligation of American to the Bank;

B. Upon the occurrence of any default, the provisions of Paragraph "1" of this Agreement shall be automatically cancelled and shall be of no force or effect without demand or notice of any kind and the amount of the liability of American to the Bank shall be the sum of $1,147,100 with interest on $340,700 at the lawful rate from July 16, 1973, with interest at the lawful rate on $290,000 from August 1, 1973 and with interest at the lawful rate on $516,400 from August 13, 1973, less any amounts paid hereunder. Upon default, the Bank may enter the confessions of judgment referred to in paragraph 3 hereof and may, in addition, exercise any right or remedy hereby granted to it or allowed to it by law or this Agreement. No action or failure to act by the Bank shall in any way affect or impair the obligations of American, or be construed a waiver by the Bank of, or otherwise affect, its rights to avail itself of any remedy provided to it by law or this Agreement.

7. All payments to be made to the Bank under paragraph 1 hereof shall be delivered to it at 44 Wall Street, New York, New York, attention of Klaus Loewkowitz. The Bank may, by notice duly given, designate any other person or address to whom payments shall be made.

8. Any notice given hereunder shall be validly given if set forth in writing and mailed if to the Bank, addressed to it at 44 Wall Street, New York, New York, attention Klaus Loewkowitz, with a copy of such notice addressed to Edward N. Meyer, Esq., Cole & Deitz, 40 Wall Street, New York, New York; and to American, addressed to it at the address set forth at the beginning of this Agreement. Any party may designate any other addresses to which notices shall be sent by notice duly given.

9. American agrees to execute and cause to be executed such other and further documents as may be necessary to carry out the purposes of this Agreement.

10. This Agreement embodies all of the representations, warranties, conditions, agreements and understandings among the parties hereto with respect to the subject matter hereof and no representations, warranties, conditions, agreements or understandings, oral or otherwise, in relation hereto exist except as herein expressly set forth. This Agreement may not be amended or terminated orally.

11. Upon the execution and delivery of this Agreement and the documents referred to in paragraph 3 hereof to the Bank, the Bank shall execute and deliver to American a stipulation pursuant

to Section 3217(a) of the Civil Practice Law and Rules discontinuing a certain action commenced by it against American in the Supreme Court of the State of New York, County of New York.

12. The Bank and American acknowledge that they have had the advice of counsel in the preparation and execution of this Agreement.

13. This Agreement is being signed in the State of New York, is intended to be performed in the State of New York, and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York.

NATIONAL BANK OF NORTH AMERICA

BY _____
Sr. V. P.

AMERICAN IBC CORP.

BY _____, President

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Plaintiff's Exhibit 20

SUPREME COURT OF THE STATE OF NEW YORK

COUNTY OF NEW YORK

----------X

NATIONAL BANK OF NORTH AMERICA,

Plaintiff,

- against -

AMERICAN IBC CORP.,

Defendant.

----------X

AFFIDAVIT FOR JUDGMENT BY CONFESSION

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

SHELDON SILVERSTON, being duly sworn, deposes and says:

(1) I am the President of the defendant above named and reside at

The defendant maintains an office at 770 Lexington Avenue, New York, New York.

(2) American IBC Corp. hereby confesses judgment pursuant to Section 3218 of the Civil Practice Law and Rules in favor of National Bank of North America, the plaintiff above named, for the sum of $1,147,100 with interest on $340,700 from July 16, 1973, with interest on $290,000 from August 2, 1973, and with interest on $516,400 from August 13, 1973 and hereby authorize plaintiff, its successors or assigns to enter judgment

A

therefor against American IBC Corp.

(3) This confession of judgment is for a debt justly due to the plaintiff arising from the following facts:

On January 11, 1973, plaintiff and defendant entered into a contract whereby defendant agreed to sell and plaintiff agreed to buy 4 million Swiss francs for a purchase price of $1,067,700. Defendant did not deliver said francs when due, and plaintiff sustained damage in the sum of $340,700 with interest from July 16, 1973, no part of which has been paid.

On January 30, 1973, plaintiff and defendant entered into a contract whereby defendant agreed to sell and plaintiff agreed to buy 4 million Swiss francs for a purchase price of $1,113,500. Defendant did not deliver said francs when due, and plaintiff sustained damage in the sum of $290,000 with interest from August 1, 1973, no part of which has been paid.

On February 8, 1973, plaintiff and defendant entered into a contract whereby defendant agreed to sell and plaintiff agreed to buy 4 million Swiss francs for a purchase price of $1,128,100. Defendant did not deliver said francs when due, and plaintiff sustained damage in the sum of $259,150 with interest from August 13, 1973, no part of which has been paid.

E 55

Plaintiff's Exhibit 20

On February 9, 1973, plaintiff and defendant entered into a contract whereby defendant agreed to sell and plaintiff agreed to buy 4 million Swiss francs for a purchase price of $1,130,000. Defendant did not deliver said francs when due, and plaintiff sustained damage in the sum of $257,250 with interest from August 13, 1973, no part of which has been paid.

(4) This confession of judgment is not for the purpose of securing the plaintiff against a contingent liability.

AMERICAN IBC CORP.

BY Sheldon Silverston, Pres.
Sheldon Silverston

E 56

Plaintiff's Exhibit 20

Guaranty

In order to induce NATIONAL BANK OF NORTH AMERICA (which, together with its successors, endorsees and assigns, is hereinafter called the "Bank") to make such advances, loans or extensions of credit, directly or indirectly, to AMERICAN IBC CORP. (hereinafter, whether one or more, called the "Borrower") and to grant to the Borrower such renewals, extensions, forbearances, releases of collateral or other relinquishments of rights as the Bank may deem advisable, and for other valuable considerations, the receipt of which is hereby acknowledged, the undersigned (hereinafter, whether one or more, called the "Guarantor") who, if more than one, shall be jointly and severally liable hereunder, hereby unconditionally guarantees to the Bank the due and punctual payment when due, whether by acceleration or otherwise, in accordance with the terms thereof, of the principal of and interest on and all other sums payable with respect to any and every obligation or liability of the Borrower to the Bank, whether now existing or hereafter incurred, whether originally contracted with the Bank or with another and transferred to the Bank or otherwise acquired by the Bank, whether contracted by the Borrower alone or jointly with others, and whether absolute or contingent, secured or unsecured, matured or unmatured (such obligations and liabilities of the Borrower being hereinafter collectively called the "Liabilities").

As security for the performance of this guaranty and all other obligations of the Guarantor to the Bank, the Guarantor hereby grants to the Bank a present security interest in and mortgages, pledges, assigns, transfers and delivers to the Bank the collateral listed in the schedule appended hereto whether such collateral is now held or owned by the Guarantor or is hereafter acquired by the Guarantor. The term "Collateral" as hereinafter used shall mean the collateral listed in the said schedule together with any funds, guarantees, agreements, goods, accounts, contract rights, general intangibles, chattel paper, documents, instruments, or anything in which the Bank is given a security interest pursuant to this guaranty, or other property or rights or interests of any nature whatsoever, or the proceeds thereof, which may have been, are, or hereafter may be, assigned, transferred or delivered to the Bank or in which the Bank is given a security interest directly or indirectly by or on behalf of the Borrower or the Guarantor or any other person to the Bank or which may or hereafter be held by any person, as trustee or otherwise, as security, whether immediate or underlying, for the performance of this guaranty or the payments of the Liabilities or any of them or any security therefor. The Bank shall not be bound to take any steps necessary to preserve any rights in the Collateral against prior parties, which the Guarantor hereby assumes to do. Without limiting the generality of the foregoing, the Bank shall not be obligated to take any action in connection with any conversion, call, redemption, retirement or any other event relating to any of the Collateral unless the Guarantor gives notice to the Bank that such action shall be taken not more than thirty (30) days prior to the time such action may first be taken and not less than ten (10) days prior to the expiration of the time during which such action may be taken.

The Guarantor hereby grants to the Bank full power, without notice to the Guarantor or to the Borrower, and without in any way affecting the joint and several obligations of each Guarantor hereunder, to deal in any manner with the Borrower, the Liabilities, the Collateral and with any Guarantor hereunder, and any other Guarantor of the Liabilities including, without limitation, the following powers: (a) to modify or otherwise change any terms of all or any part of the Liabilities and/or the Collateral, to grant any extension or renewal thereof and any other indulgence with respect thereto, and to effect any release, subordination, compromise or settlement with respect to the Borrower, the Liabilities, the Collateral, and the obligations of any one or more of the Guarantors; (b) to enter into any agreement of forbearance with respect to all or any part of the Collateral, or with respect to the obligations of the Borrower or any Guarantor, or to change the terms of any such agreement; (c) to forbear from calling for additional collateral to secure any of the Liabilities or to secure any obligation comprised in the Collateral; and (d) to consent to the substitution, exchange, or release of all or any part of the Collateral, whether or not the collateral, if any, received by the Bank upon any such substitution, exchange, or release shall be of the same or of a different character or value than the collateral surrendered by the Bank.

The Guarantor waives any notice of the acceptance of this Guaranty, or of the creation, renewal or accrual of any of the Liabilities, present or future, or of the reliance of the Bank upon this Guaranty. The Liabilities shall conclusively be presumed to have been created, contracted for, incurred or suffered to exist in reliance upon this Guaranty, and all dealings between the Borrower and the Bank shall likewise be presumed to be in reliance upon this Guaranty. The Guarantor waives protest, presentment, demand for payment, notice of default or non-payment, and notice of dishonor to or upon the Guarantor, the Borrower, or any other party liable for any of the Liabilities. The obligations of the Guarantor hereunder, and the rights of the Bank in the Collateral, shall not be released, discharged or in any way affected, nor shall the Guarantor have any rights against the Bank by reason of the fact that any of the Collateral may be in default at the time of acceptance thereof by the Bank or later; nor by reason of the fact that a valid lien in any of the Collateral may not be conveyed to, or created in favor of the Bank; nor by reason of the fact that any of the Collateral may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way; nor by reason of the fact that any of the Liabilities may be invalid or unenforceable against the Borrower or any obligor thereon for any reason whatsoever; nor by reason of the fact that the value of the Collateral, if any, or the financial condition of the Borrower, or of any obligee under the guaranty, if any, of the Collateral, may not have been correctly estimated or was thereafter changed; nor by reason of any deterioration, waste, or loss by fire, theft, or otherwise of any of the Collateral; nor by reason of the release, in whole or in part, with or without consideration of the Collateral or any of it.

In case the Borrower shall fail to pay all or any part of the Liabilities when due, the Guarantor immediately will pay to the Bank the amount due and unpaid by the Borrower under such Liabilities, in like manner as if such amount constituted the direct and primary obligation of the Guarantor. The Bank shall have its remedy under this Guaranty without being obliged to resort first to the Collateral or to any other security or to any other remedy or remedies to enforce payment or collection of the Liabilities, and may pursue all or any of its remedies at one or at different times. The Bank is hereby given a continuing lien and security interest for the additional security of this Guaranty as well as of any other obligation or liability (present or future, absolute or contingent, matured or unmatured) of the Guarantor to the Bank, upon all property and securities now or hereafter given to or left in the possession or custody of the Bank for any purpose (including property left in safekeeping), by or for the account of any Guarantor, and also upon any deposits with or any credit or claim of any Guarantor against the Bank existing from time to time. As further security for this Guaranty, the Guarantor hereby grants a present security interest in and transfers and assigns to the Bank all claims and demands, presently existing or hereafter arising, and all interest heretofore or hereafter accrued thereon, and any and all collateral or security interests relating thereto and the proceeds thereof, which the Guarantor now has or may hereafter have or acquire against the Borrower with full right on the part of the Bank in its own name or in the name of the Guarantor to collect and enforce such claims by legal action, proof of debt in bankruptcy or other liquidation proceedings, vote in any proceeding for the arrangement of debts at any time proposed, or otherwise, the Bank and each of its officers being hereby irrevocably constituted attorneys-in-fact for the Guarantor for the purpose of such enforcement and for the purpose of endorsing in the name of the Guarantor any instrument for the payment of money. The Guarantor will receive as trustee for the Bank and will pay to the Bank forthwith upon receipt thereof any amounts which the Guarantor may receive from the Borrower on account of the said claims. The Guarantor agrees that at no time hereafter will any of such claims be represented by any notes, other negotiable instruments or writings, except such as the Bank may request to be executed and delivered to it for the purpose of evidencing such obligations, or any part thereof, and in such event they shall either be made payable to the Bank, or, if payable to the Guarantor, shall forthwith be endorsed by the Guarantor to the Bank. The Guarantor agrees that no payment on account of such claims or any security interest therein shall be created, received, accepted or retained nor shall any financing statement be filed with respect thereto by the Guarantor unless and until the Borrower has paid and satisfied in full all of the Liabilities. The Bank is hereby authorized and empowered upon the occurrence, if any, of the events set forth in the second succeeding paragraph to appropriate and apply to the payment and extinguishment of the Liabilities of the Guarantor any and all such claims, demands, monies, property, securities, deposits, or credit balances without demand, advertisement or notice, all of which are hereby expressly waived.

In the event that the Bank shall receive any payments on account of any of the Liabilities, whether directly or indirectly, and it shall subsequently be determined that such payments were for any reason improper, or a claim shall be made against the Bank that the same were improper, and the Bank either voluntarily or pursuant to court order shall return the same, the Guarantor shall be liable, with the same effect as if the said payments had never been paid to, or received by, the Bank, for the amount of such repaid or returned payments, notwithstanding the fact that they may theretofore have been credited on account of the Liabilities or any of them.

Upon default by the Borrower or the Guarantor with respect to the Liabilities or any obligations or liabilities of either of them to the Bank, or in case the Borrower or any Guarantor shall die, or become insolvent, or be unable to meet his or its debts as they mature, or make an assignment for the benefit of creditors, or if a petition in bankruptcy is filed by or against the Borrower or any Guarantor, or if a receiver (either at law or in equity) of any of the property of the Borrower or of any Guarantor is appointed, or if a judgment is obtained or a warrant of attachment issued against the Borrower or any Guarantor, or if the financial or business condition of the Borrower or any Guarantor shall so change as in the opinion of the Bank to impair materially the Bank's security or increase its risk, or in the event of any default in the performance of any obligation comprised in the Collateral or if the Bank in good faith shall deem itself insecure, then the Liabilities and all of the obligations and Liabilities of the Guarantor to the Bank, whether direct or contingent, and of every description, shall, without notice or demand, become immediately due and payable and shall be paid forthwith by the Guarantor; and in such event the Bank may sell or dispose of the whole or any part of the Collateral, at public or private sale with or without any previous demand for performance to the Guarantor or the Borrower. Any legal requirement of notice of any such sale or other disposition shall be deemed satisfied by the giving of five days prior written notice which shall also be deemed reasonable notice. If the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank shall not be required to give notice of public or private sale or other intended disposition of the Collateral. The Bank may retain from the proceeds of any such sale all costs and charges incurred by it in the said taking and sale or other disposal including but not limited to attorney's fees and in any event the Guarantor and Borrower agree to pay said attorney's fees of 20% of all amounts then due and owing from the Guarantor and the Borrower to the Bank which fees the Guarantor and

L11 (1/71) B (OVER)

E 57

Plaintiff's Exhibit 20

Borrower hereby agree to be reasonable to the Bank if any obligations or liabilities of the Borrower or the Guarantor are placed in the hands of an attorney for collection. If a deficit should remain after any such sale or other disposal, the Guarantor will pay the same promptly upon demand to the Bank. The Bank or its agent may bid and/or purchase free from any right or equity of redemption at any such public or private sale.

Any stocks, bonds, or other securities held by the Bank hereunder may, whether or not the Borrower or the Guarantor is in default, be registered and held in the name of the Bank or its nominee, and the Bank or its nominee may exercise all voting and other corporate rights as if the Bank were the absolute owner thereof.

No delay on the part of the Bank in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right hereunder or the failure to exercise same in any instance preclude other or further exercise thereof or the exercise of any other power or right; nor shall the Bank be liable for exercising or failing to exercise any such power or right; the rights and remedies hereunder expressly specified are cumulative and not exclusive of any rights or remedies which the Bank or any one in whose behalf it has acted or shall act as herein provided, or its or his or their transferees, may or will otherwise have.

The term "the Bank" as used throughout this instrument shall be deemed to include NATIONAL BANK OF NORTH AMERICA, all of its branches and departments, and any individual, partnership or corporation acting as its nominee or agent, and any corporate subsidiary the stock of which is owned or controlled, directly or indirectly, by NATIONAL BANK OF NORTH AMERICA. The term "Borrower" as used throughout this instrument shall include the individual or individuals, association, partnership, or corporation named herein as the Borrower, and (a) any successor, individual or individuals, association, partnership or corporation to which all or substantially all of the business or assets of the Borrower shall have been transferred, (b) in the case of a Borrower which is a partnership, any new partnership which shall have been created by reason of the admission of any new partner or partners therein or the dissolution of the existing partnership by the death, resignation or other withdrawal of any partner, and (c) in the case of a Borrower which is a corporation, any other corporation into or with which the Borrower shall have been merged, consolidated, reorganized, purchased or absorbed.

This agreement shall, without further reference, pass to and may be relied on and enforced by any successor or assignee of the Bank, and any transferee or subsequent holder of any of the Liabilities and the Borrower and/or the Guarantor will not assert any claims it may have against the Bank against any such assignee, successor, transferee, or any other subsequent holder. This is a continuing guaranty, and is to remain in force throughout business relations between the Borrower and the Bank, and until the payment of all indebtedness, obligations, and liabilities of the Borrower to the Bank, whether now existing or hereafter incurred, notwithstanding the appointment of a receiver of, or the dissolution of, and/or any other change in, or with respect to the Borrower. However, this Guaranty may be terminated with respect to the obligations of any of the Guarantors (but then only so far as it relates to Liabilities arising after such termination), only upon written notice to that effect delivered by such Guarantor to the Bank and duly receipted for by it. In the event of termination (whether by such notice, death or otherwise) such Guarantor and his, her or its respective executors, administrators and assigns shall nevertheless remain liable with respect to the Liabilities theretofore created or arising, and with respect to such Liabilities and any renewals, or other liabilities arising out of the same, this instrument shall continue in full force and effect and the Bank shall have all the rights herein provided for as if no such termination had occurred, and the Guarantors, if any, who have not joined in such termination shall continue to be liable hereunder as if no such termination had been effected. In addition to all rights and remedies granted herein, the Bank shall have all of the rights of a Secured Party under the Uniform Commercial Code of New York.

This agreement shall be deemed to have been made in the State of New York, the Guarantor consents to the jurisdiction of the courts of New York, and the rights and liabilities of the parties shall be determined in accordance with the laws of the State of New York.

The Guarantor has made an independent investigation of the Borrower and of the financial condition of the Borrower. The Bank has not made and does not make any representations as to the income, expense, operation, finances or any other matter or thing affecting the Borrower nor has the Bank made any representation as to the amount or nature of the liabilities of the Borrower to which this guaranty applies as specifically herein set forth, and the Guarantor hereby expressly acknowledges that no such representations have been made. It is agreed that all understandings and agreements heretofore had between the parties hereto are merged in this guaranty, which alone, fully and completely, expresses their understanding.

The Guarantor waives the right to interpose counterclaims or setoffs of any kind and description in any litigation arising hereunder and waives the right in any litigation with the Bank (whether or not arising out of or relating to any note) to trial by jury.

The Bank, its representatives and assigns are hereby authorized in its sole discretion to sign and file financing statements covering all or any part of the Collateral on behalf and at the expense of the Guarantor.

IN WITNESS WHEREOF, this instrument has been duly executed by the undersigned on the ..... day of

..... 19 .....

WITNESSES:

GUARANTORS:

IBC COMMODITY CORP.

BY: Sheldon Silverstein, President

STATE OF NEW YORK }
COUNTY OF New York } SS.:

On this 30th day of August, 19 73, before me personally appeared Sheldon Silverstein to me known and known to me to be the individual(s) described in and who executed the foregoing instrument and (s)he(y) duly acknowledged to me that they executed the same.

Esther I. Shannon
NOTARY PUBLIC, a Guarantor
Notary Public, State of New York
No. [illegible]
Qual. in [illegible] County
Cert. Filed in New York County
Commission Expires March 30, 1974

STATE OF NEW YORK }
COUNTY OF New York } SS.:

On this 30th day of August, 19 73, before me personally appeared Sheldon Silverstein to me known, who, being by me duly sworn, did depose and say that he resides at 211 East 48 St. NY NY; that he is the President of IBC Commodity, the corporation described in and which executed the foregoing instrument, and that he signed his name thereto by order of the Board of Directors of the said corporation.

Esther I. Shannon
ESTHER I. SHANNON
Notary Public, State of New York
No. [illegible]
Qual. in [illegible] County
Cert. Filed in New York County
Commission Expires March 30, 1974

SCHEDULE OF COLLATERAL

BEST COPY AVAILABLE

E 58

Plaintiff's Exhibit 20

SUPREME COURT OF THE STATE OF NEW YORK

COUNTY OF NEW YORK

----------X

NATIONAL BANK OF NORTH AMERICA,

Plaintiff,

- against -

IBC COMMODITY CORP.,

Defendant.

AFFIDAVIT FOR JUDGMENT BY CONFESSION

----------X

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

SHELDON SILVERSTON, being duly sworn, deposes and says:

(1) I am the President of the defendant above named and reside at 215 East 68th Street, New York, New York. The defendant maintains an office at 770 Lexington Avenue, New York, New York.

(2) IBC Commodity Corp. hereby confesses judgment pursuant to Section 3218 of the Civil Practice Law and Rules in favor of National Bank of North America, the plaintiff above named, for the sum of $1,147,100 with interest on $340,700 from July 16, 1973, with interest on $290,000 from August 13, 1973 and hereby authorize plaintiff, its successors or assigns to enter judgment therefor against IBC Commodity Corp.

C

(3) This confession of judgment is for a debt justly due to the plaintiff arising from the following facts:

On August 30, 1973, defendant executed an agreement in writing whereby it guarantied to plaintiff the due and punctual payment of any and every obligation of American IBC Corp. to plaintiff.

On January 11, 1973, plaintiff and American IBC Corp. entered into a contract whereby American IBC Corp. agreed to sell and plaintiff agreed to buy 4 million Swiss francs for a purchase price of $1,067,700. American IBC Corp. did not deliver said francs when due, and plaintiff sustained damage in the sum of $340,700 with interest from July 16, 1973, no part of which has been paid.

On January 30, 1973, plaintiff and American IBC Corp. entered into a contract whereby American IBC Corp. agreed to sell and plaintiff agreed to buy 4 million Swiss francs for a purchase price of $1,113,500. American IBC Corp. did not deliver said francs when due, and plaintiff sustained damage in the sum of $290,000 with interest from August 1, 1973, no part of which has been paid.

On February 8, 1973, plaintiff and American IBC Corp. entered into a contract whereby American IBC Corp. agreed to sell and plaintiff agreed to buy 4 million Swiss francs for a purchase price of $1,128,100. American IBC Corp. did not deliver said francs when due, and plaintiff

sustained damage in the sum of $259,150 with interest from August 13, 1973, no part of which has been paid.

On February 9, 1973, plaintiff and American IBC Corp. entered into a contract whereby American IBC Corp. agreed to sell and plaintiff agreed to buy 4 million Swiss francs for a purchase price of $1,130,000. American IBC Corp. did not deliver said francs when due, and plaintiff sustained damage in the sum of $257,250 with interest from August 13, 1973, no part of which has been paid.

(4) This confession of judgment is not for the purpose of securing the plaintiff against a contingent liability.

IBC COMMODITY CORP.

BY _____
Sheldon Silverston

E 61

Plaintiff's Exhibit 20

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On the day of 1973 before me personally to me known, who, being by me duly sworn, did depose and say that he resides at that he is the of IBC Commodity Corp., the corporation described in, and which executed, the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation; and that he signed his name thereto by like order.

_____

E 62

PLAINTIFF'S EXHIBIT 21

Bill Boland — Pg-30
KLAUS LEFKOWITZ
SAFE
REINCO

19 Nov

Gen GLASSMAN JLA TV

230 → NORELCO – Recorder $100 ⇔ $20

100 — 150 EACH Monitors

(PANASONIC TV Set)

Modified to Accept PLAYBACK

From Tape Recorder

(Receiver)

Real Monitor $100

Tapes uninteresting

10000 reels tape →

Mr. Oppenheim —

Steve McLoughLin

215-786-5000

21

Can Receive Not Record —

G → 435-5634

E 63

Plaintiff's Exhibit 21

3 Dec Pg-43

759-- 9543 Art Finston —

4 Dec 1973

Al Vollenweider 0815

Told him problem

Said he needs money Back

By June end a lawsuit

have held Raised

0915

AL [redacted]

Called Back —

Might LOSE Job.

Calling Atl Fri

E 64

Plaintiff's Exhibit 21

Pg-48

2¢ GAL 60 Mi Newly

3¢ GAL 90 Mi Connect.

←

SCB N.Y.

Vollenweider — SCB - N.Y. Cancel Collect

DISREGARD - TRANSFER NOT MADE EVEN

Milton Baron —

call BANK — OK

[redacted]0,000 GALLONS ⟷

Ron Famiani —

Bob Jenkins asked me call

Sechen —

E 65

Plaintiff's Exhibit 21

11 Dec

Pg-62

Monty Chrisman
T.K. & S.S. Went

- Miss tortorella
Revd New Address

Chuck Lilien
Not sure walls secured

E 66

PLAINTIFF'S EXHIBIT 22

40 WALL STREET, NEW YORK N.Y. 10005
CABLE ADDRESS: WFBIC

SAN FRANCISCO, CALIFORNIA

DATE November 19, 1973

2 3 0 0 0 0

CREDIT

American I.B.C. Corp.
770 Lexington Ave.
New York, N.Y.

IN ACCORDANCE WITH
INSTRUCTIONS FROM ABOVE DATED

REF. Funds received from Swiss Credit Bank

FOR ACCOUNT / BY ORDER / COVERING Your letter 5/15/73

POST $ 1,046,894.05

CREDIT

Authorized Signature

NY-6-06-12/72-20M REV.

SVC

SOURCE CODE 50

TYPE FILE

WELLS FARGO BANK INTERNATIONAL

WHOLLY OWNED SUBSIDIARY OF
WELLS FARGO BANK N.A.
SAN FRANCISCO, CALIFORNIA

40 WALL STREET, NEW YORK N.Y. 10005
CABLE ADDRESS: WFBIC

DATE November 2, 1973

2 3 0 0 0 0

CREDIT

American I.B.C. Corp.
770 Lexington Ave.
New York, N.Y.

IN ACCORDANCE WITH
INSTRUCTIONS FROM ABOVE DATED

REF. Funds received from Swiss Credit Bank

FOR ACCOUNT / BY ORDER / COVERING

POST $ 1,042,814.37

CREDIT

Authorized Signature

Zurich SVC

SOURCE CODE 50

TYPE FILE

NY-6-06-12/72-20M REV.

E 67

Plaintiff's Exhibit 22

WELLS FARGO BANK INTERNATIONAL CORPORATION
NEW YORK, N. Y.

DATE November 2, 1973

DEBIT
American I.B.C Corp.
770 Lexington Ave.
New York, N.Y.
230000

CONTRA
TOTAL RECEIVABLES DUE & ACCRUED
INTEREST RECEIVABLE LOANS
(128017)

ROUTE TO _____ THEIR _____ OUR AD 3648

$ 40,666.67

PARTICULARS: Interest on $1,000,000.00 from 5/3/73 to 11/2/73 (183 days)

LOAN SVC
SOURCE CODE 50
TYPE FILE

MADE BY	CHECKED	ENTERED

APPROVED

WELLS FARGO BANK INTERNATIONAL CORPORATION
NEW YORK, N. Y.

DATE November 2, 1973

DEBIT
American I.B.C. Corp.
770 Lexington Ave.
New York, N.Y.
230000

CONTRA
ADVANCES
(272013)

ROUTE TO _____ THEIR _____ OUR AD 3643

$ 1,000,000.00

DATE November 17, 1973

DEBIT
American I.B.C. Corp.
770 Lexington Ave.
New York, N.Y.
230000

CONTRA
ADVANCES
(272013)

ROUTE TO _____ THEIR _____ OUR AD 3662

$ 1,000,000.00

PARTICULARS: ~~Repayment~~ of advance 5/17/73

LOAN SVC
SOURCE CODE 50
TYPE FILE 1

MADE BY	CHECKED	ENTERED

APPROVED

E 68

Plaintiff's Exhibit 22

WELLS FARGO BANK INTERNATIONAL CORPORATION
NEW YORK, N. Y.

DATE November 19, 1973

DEBIT
American I.B.C. Corp.
770 Lexington Ave.
New York, N.Y.
230000

CONTRA
TOTAL RECEIVABLES DUE & ACCRUED
INTEREST RECEIVABLE LOANS

ROUTE TO _____ THEIR _____ OUR AD 3662 $ 43,916.67

PARTICULARS: Interest @ 8 1/2 from 5/17/73 to 11/19/73 (186 days)
on $1,000,000.00

SOURCE CODE 50
TYPE FILE

MADE BY	CHECKED	ENTERED

APPROVED

WELLS FARGO BANK INTERNATIONAL CORPORATION
NEW YORK, N. Y.

DEBIT ADVICE

DATE November 2, 1973

SEND TO
American I.B.C. Corp.
770 Lexington Ave.
New York, N.Y.
230000

PLEASE NOTE THAT WE HAVE DEBITED YOUR ACCOUNT

WITH _____ YOUR REF. _____ OUR AD 3648 $ 1,000,000.00

PARTICULARS: Repayment advance of 5/3/73

AUTHORIZED SIGNATURE

WELLS FARGO BANK INTERNATIONAL CORPORATION
NEW YORK, N. Y.

DEBIT ADVICE

DATE November 2, 1973

SEND TO
American I.B.C Corp.
770 Lexington Ave.
New York, N.Y.
230000

PLEASE NOTE THAT WE HAVE DEBITED YOUR ACCOUNT

WITH _____ YOUR REF. _____ OUR AD 3648 $ 40,666.67

PARTICULARS Interest @ 8% from 5/3/73 to 11/2/73 (183 days)
on $1,000,000.00

E 69

Plaintiff's Exhibit 22

WELLS FARGO BANK INTERNATIONAL

40 WALL STREET, NEW YORK, N.Y. 10005
CABLE ADDRESS: WFBIC

WHOLLY OWNED SUBSIDIARY OF
WELLS FARGO BANK N.A.
SAN FRANCISCO, CALIFORNIA

DATE November 2, 1973

2 3 0 0 0 0

☐ BY ORDER OF

MAIL TO

American I.B.C. Corp.
770 Lexington Ave.
New York, N.Y.

IN ACCORDANCE WITH
THEIR INSTRUCTIONS DATED:

REF.

FOR ACCOUNT / BY ORDER / COVERING: Funds received from Swiss Credit Bank, Zurich

$ 1,042,814.37

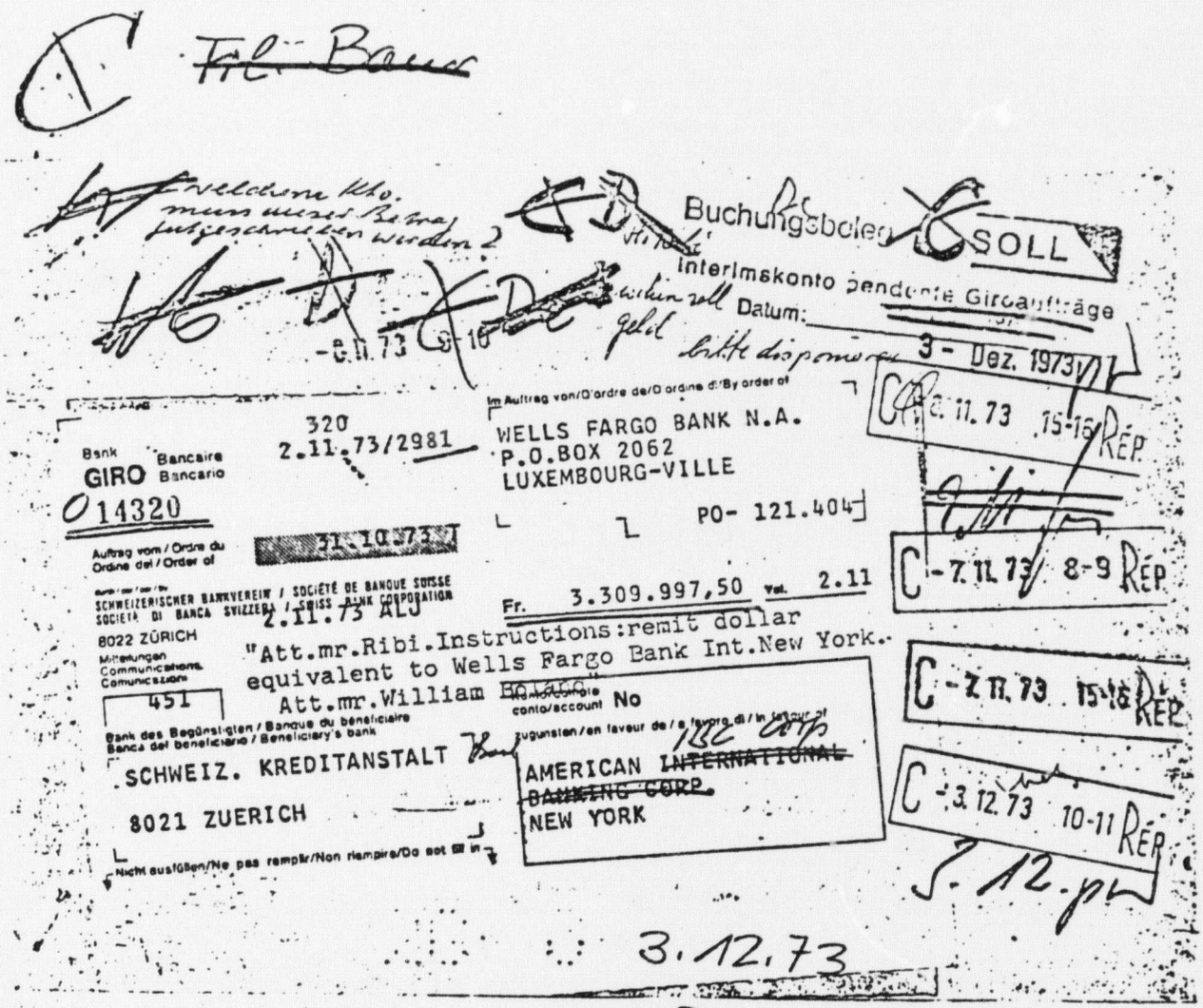
Authorized Signature

NY-6-06-12 72-20M REV.

CREDIT ADVICE

E 70

PLAINTIFF'S EXHIBIT 23



Buchungsbeleg SOLL

Interimskonto pendente Girocaufträge

Datum: 3 - Dez. 1973

Bank GIRO Bancaire Bancario 014320

320
2.11.73/2981

31.10.73

Im Auftrag von/D'ordre de/D ordine di/By order of
WELLS FARGO BANK N.A.
P.O.BOX 2062
LUXEMBOURG-VILLE

PO- 121.404

Fr. 3.309.997,50 Val. 2.11

SCHWEIZERISCHER BANKVEREIN / SOCIÉTÉ DE BANQUE SUISSE
SOCIETÀ DI BANCA SVIZZERA / SWISS BANK CORPORATION
8022 ZÜRICH
2.11.73 ALJ

Mitteilungen
Communications
Comunicazioni
451

"Att.mr.Ribi.Instructions:remit dollar equivalent to Wells Fargo Bank Int.New York.. Att.mr.William

Bank des Begünstigten / Banque du bénéficiaire
Banca del beneficiario / Beneficiary's bank
SCHWEIZ. KREDITANSTALT
8021 ZUERICH

Konto/Nr. conto/account No

zugunsten/en faveur de/a favore di/in favour of
AMERICAN INTERNATIONAL BANKING CORP.
NEW YORK

Nicht ausfüllen/Ne pas remplir/Non riempire/Do not fill in

C - 7.11.73 8-9 RÉP

C - 7.11.73 15-16 RÉP

C - 3.12.73 10-11 RÉP

3.12.pl

3.12.73

C 30.11.73 9-10 RÉP

Beilage!

BEST COPY AVAILABLE

E 71

PLAINTIFF'S EXHIBIT 24

VICTOR ROMANO
FOREIGN TRADE AND FINANCE

CABLES: VICROMANO
TELEX: 23502 ~~VROMANO~~ HAI
" 224481 ROMO

215 EAST 68TH STREET
NEW YORK, N. Y. 10021
PHONE: RE 4-3735
RE 7-1193

July 24, 1973

Wells Fargo Bank International
40 Wall street
New York, N.Y.10005

Att. Mr. W. Boland

Gentlemen,

Since July 5, 1973, I am no more associated with American IBC Corp.

I am resuming my business activity in my own name.

Very truly yours,

V. Romano

TRUSTEES EX. 56
FOR I.D.
7-1-74
C.A.F.

Jg

JUL [illegible] 1973

E 72

PLAINTIFF'S EXHIBIT 25

November 21, 1973

Dr. Stanley J. Foster, Financial Economist
Sunkist Growers, Inc.
14130 Riverside Drive
Sherman Oaks, Calif. 91403

Dear Dr. Foster:

In light of the fact that American IBC, New York is currently in financial difficulty, you may wish to continue your inquiries about switch transactions with:

1. Mr. Robert J. Redmond, Vice President
   The Marban Corporation
   One State Street Plaza
   New York, NY 10004 Tel: 248 7800
   (Wholy owned by Associated Metals)

2. Mr. H. Bohunovsky
   Allgemeinen Varentreuhand A.G.
   Strauchgasse 1
   1010 Vienna, Austria
   (Wholy owned by Creditanstalt-Bankverein)

I was delighted to have the opportunity of meeting with you and your associated, and trust that we will have a chance of working together.

With best regards.

Sincerely yours,

CC: Mr. D. Hepburn, Jr., WFB, L.A.

NDL:ne

EXHIBIT ____ FOR IDENT.
____ DORAN REPORTING SVC.

E 73

PLAINTIFF'S EXHIBIT 26

(E-C)

OF BORROWER	AMERICAN IBC CORPORATION	DATE	October 31, 1973
00-230-000		OFFICE	Wells Fargo Bank International
NATURE OF BUSINESS	Finance Broker and Switch Dealer	DIVISION	New York City
HEADQUARTERS	New York, New York	YEAR ESTABLISHED	1969
LEGAL CLASSIFICATION	New York Corporation	CUSTOMER SINCE	1970

REQUEST	LIST AMOUNT, CLASSIFICATION, COLLATERAL, DATE GRANTED, MATURITY, GUARANTY	RATE	PRESENT LIABILITY	AMT. PREV. REVIEWED	LAST REVIEWED
$ 1,000,000	Advance for 183 days to mature 11/2/73 secured by a Swiss Franc 3,240,000.00 time deposit placed with WFB/Lux.	8%	$ 1,000,000	$	
1,000,000	Advance for 186 days to mature 11/19/73 secured by a Swiss Franc 3,130,000.00 time deposit placed with United California Bank, London.	8⅛%	1,000,000	11/13/73	
	DIRECT LINE				
$ 2,000,000	TOTAL REQUESTED — TOTAL COM'L & MPL REAL ESTATE		$ 2,000,000 $	offering $ basis	8/18/72

PURPOSE AND REPAYMENT

To create Swiss Franc time deposits.
Repayment to derive from underlying transactions.

ACCEPTANCES

	HIGH	LOW	MOS/CLR	RATE
YEAR TO DATE	$2,000M	0	-	

EXPERIENCE	LETTERS OF CREDIT HIGH	LOW	MOS/CLR	RATE	ADVANCES HIGH	LOW	MOS/CLR	RATE	AVERAGE ACCOUNT BALANCE
YEAR TO DATE	$ 261M	0	-		$ 200M	0	-		$ 1M(9 mos.
1972	1,971M	-	2		1,971M	-	2		13M
1971	1,495M	450M	-		1,971M	473M	-		13M
1970	897M	450M	-		-	-	-		19M
196									

LIST KEY MANAGEMENT AND DOMINANT PRINCIPALS

Sheldon Silverston, President
Joel Glucksman, Assistant Secretary

PLF. EXHIBIT Kautsautonis 1 FOR IDENT.
DEFT. EXHIBIT
DATE RECEIVED 3/6
11/21/76

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Plaintiff's Exhibit 26

AFFILIATED BUSINESS	NAME	OFFICE NO.	LOANS	SAVINGS	COMMERCIAL
(9 & 10)	BANK	FACILITIES	AMOUNT	EXPERIENCE	
	Republic National Bank	Offering basis	-	satisfactory	
	Broad National Bank, N.J.	Interim financing	medium four	satisfactory	
	National Bank of North America	No facility at the present	-	no comments	

QUESTIONNAIRE: Answer ALL of the following questions. Answers which appear in parentheses ( ) require an explanation in the remarks section below.

YES	NO		
			OWNERSHIP
(X)		1.	Has there been a material change in ownership?
( )	X	2.	Is borrower either a subsidiary of or controlled by another entity?
			MANAGEMENT
(X)		3.	Has there been a major change in management personnel?
( )	X	4.	Is there any question concerning the ability of management?
X	( )	5.	Is management experienced in this line of business?
X	( )	6.	Are capable and experienced individuals available to replace key management personnel?
			CHECKINGS
			Date of most recent trade checkings October 1973 Date of most recent bank checkings November 1973
( )	X	7.	Does borrower's previous business record show any bankruptcies or arrangements with creditors; are there any suits pending or tax liens existing?
X	( )	8.	Is borrower's trade payment record uniformly prompt or better?
	(X)	9.	Are bank loans confined to us?
	(X)	10.	Are accounts confined to us?

ADVERSE CHECKINGS SHOULD BE EXPLAINED IN REMARKS SECTION.

			EXPERIENCE
X	( )	11.	Have prior loans been handled satisfactorily and account relationship conducted properly?
X	( )	12.	Are accounts profitable?

REMARKS:
(1) The corporation purchased Mr. & Mrs. George Worns' stock of the corporation. At that time, Mr. Worns was permitted to purchase certain assets from the corporation on a promissory note which was due 12/31/72. All the assets purchased by Worns are being held as security collateral for the payment of the note.
(3) Victor Romano, Executive Vice President; Conzalo Ospina, Vice President and Luis Lara, Vice President are no longer associated with the corporation.
(10) (See top of the page.)

LOAN OFFICER SUMMARY (see attached sheet)

PRESIDENT
BANK REPRESENTATIVE

FOR WELLS FARGO BANK INTERNATIONAL:

RECOMMENDED BY _____ Approved By _____
Loan Officer
George J. Hawkins
Vice President

Charles E. Litten
Executive Vice President

Reviewed by WFBI Loan Committee

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Plaintiff's Exhibit 26

AMERICAN IDC CORPORATION, NEW YORK — (1) Interim (2) Fiscal — Milton Hoffmann, CPA

NAME — SCOPE OF EXAMINATION — PREPARED BY

(000's omitted in U.S. $)		(2) 5/31/1972	(2) 5/31/1971	(2) 5/31/1970	(1) 2/28/1970	19
CASH & EQUIVALENT		96	152	32	43	
ACCOUNTS RECEIVABLE (DUE FROM G. WORMS)	(a)	171	-	32	29	
INCOME RECEIVABLE		-	1	-	106	
INVENTORY		-	-	-	8	
LOANS RECEIVABLE-FX		2,159	2,163	-	-	
LOANS AND NOTES RECEIVABLE	(b)	3,209	8,162	2,081	1	
CURRENT ASSETS		5,735	10,478	2,145	192	
INVESTMENTS	(c)	1,462	212	2	2	
LOANS & NOTES RECEIVABLE		479	998	2,584	503	
BORROWED SECURITIES		-	-	188	325	
DEFERRED & OTHER ITEMS		42	82	108	5	
FIXED ASSETS NET	(d)	60	48	19	6	
FIXED ASSETS/TNW (%)		71	59	45	40	
TOTAL ASSETS		7,778	11,817	5,046	1,033	
NOTES PAYABLE - US		-	-	-	4	
NOTES PAYABLE - BANKS		1,080	1,650	39	55	
ACCOUNTS PAYABLE		9	17	-	12	
ACCRUALS		24	40	51	8	
LOANS PAYABLE TO OFFICERS		2	14	5	5	
LOANS PAYABLE		3,171	5,574	1,705	-	
EXCHANGE		-	-	4	-	
CURRENT LIABILITIES		4,286	7,295	1,804	84	
WORKING CAPITAL		1,449	3,183	341	108	
QUICK RATIO		1.34	1.44	1.19	2.19	
CURRENT RATIO		1.34	1.44	1.19	2.29	
DEFERRED LIABILITIES		-	-	188	325	
LOANS PAYABLE		3,325	4,334	3,012	503	
TOTAL LIABILITIES		7,611	11,629	5,004	912	
DEFERRED INCOME/RESERVES - NET		62	87	-	106	
NET WORTH		105	101	42	15	
PLUS: SUBORDINATED DEBT		-	-	-	-	
LESS: INTANGIBLE ASSETS		21	21	-	-	
TANGIBLE NET WORTH		84	81	42	15	
TNW/TOTAL LIABILITIES		.01	.007	.003	.02	
CONTINGENT LIABILITIES		-	19	-	-	
LEASE LIABILITIES		-	-	-	-	
OPERATING PERIOD (Months)		12	12	12	9	
REVENUE		1,261	735	463	241	
EXPENSES		1,237	720	392	231	
NET PROFITS		24	65	71	10	
DEPRECIATION INCLUDED IN ABOVE		9	-	1	-	
CASH FLOW		33	-	72	10	
CASH DIVIDENDS AND WITHDRAWALS		-	-	-	-	
NET PROFITS/REVENUE %		1.9	8.3	15	4	
NET PROFITS/TNW %		28.6	89.2	169	67	

FINANCIAL COMMENT (Continue next page)

(a) The Corporation purchased Mr. & Mrs. George F. Worn's stock of the Corporation. At that time Mr. Worns was permitted to purchase certain assets from the corporation on a promissory note which is due December 31, 1972. All the assets purchased by Mr. Worns are being held as

DISTRIBUTION — Shareholders 3 — (see over)

(Others)

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Plaintiff's Exhibit 26

AMERICAN IBC CORPORATION

Subject's current position has improved during the 1971 year with a slight decrease in 1972 as shown by the quick and current ratios. The decrease in the current ratio during 1972 has been caused by the decrease in Loans and Notes Receivable of $4,863 (60%) in 1972 vs. 1971

Long run solvency shows an improvement in 1972 as compared to 1971 and 1970 as indicated by the TNW/Total Liabilities ratio which increased from .003 in 1970 to .01 in 1972.

The profitability of subject cannot be characterized as good, as indicated by the Net Profits/Revenue ratio. Although Revenue was increased, during the years 1971 and 1972, expenses were increased by a greater proportion.

RECONCILIATION OF NET WORTH

Capital Stock Outstanding	$ 9M
Capital Surplus	23M
Earned Surplus	81M
Profit for the year ended 5/31/72	24M
Less Treasury Stock	32M
	$ 105M

GK:rs

Bates Numbers 4

EXHIBIT_____FOR IDENT.
BORAX REPORTING SVC.

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Plaintiff's Exhibit 26

LOAN OFFICER SUMMARY

AMERICAN IBC CORPORATION

We have previously handled with satisfactory experience several back to back Letter of Credit transactions. The subject specializes in arranging the sale of clearing or "switch" currencies at a discount.

We consider that there is no exposure on these two transactions with the following procedures in effect:

WFB/LUX Time Deposit

Advance # AD-3648

1. Proceeds of advance transferred to Swiss Credit Bank, Zurich.
2. Swiss Credit Bank will deliver SF3,240,000 to Swiss Bank Corp., Zurich, for a/c WFB/Lux.
3. WFB/Lux will establish SF time deposit for 183 days (MTY 11-2-73) to yield SF 3,309,997.50.
4. On 11-2-73 WFB/Lux will pay Swiss Credit Bank SF 3,308,850.00.
5. Swiss Credit Bank will then pay WFBI $1,042,814.37 for a/c American I.B.C. from which our advance will be repaid.

UCB, London Time Deposit

Advance # AD-3662

1. Proceeds of advance transferred to Swiss Credit Bank, Zurich, through Chase Manhattan Bank, New York.
2. Swiss Credit Bank will deliver SF 3,130,000 to UCB, London, where a time deposit will be established for 186 days (MTY 11-19-73) to yield SF 3,182,557.92 at maturity.
3. On 11-19-73, UCB will pay Swiss Credit Bank SF 3,182,557.92.
4. On 11-19-73, Swiss Credit Bank will transfer $1,046,894.05 for account AIBC from which our advance will be repaid.

P. Koutsoukos

CREDIT DEPARTMENT.

DORAN REPORTING SVC.

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Plaintiff's Exhibit 26

WELLS FARGO BANK INTERNATIONAL

40 WALL STREET • NEW YORK, N.Y. 10005

MEMORANDUM
CHECKINGS

FOR FILE:

DATE

SUBJECT: AMERICAN IBC CORPORATION, NEW YORK

11/9/73

The following banks were called for a mutual account revision on the subject and reported:

Mrs. Reilly from Broad National Bank, New Jersey (tel.# 201-624-2300) reported:

"We have had the account since November 1971 with average balances medium four figure. From time to time we extend to them interim financing to 30 days. No outstandings at the present time. Our experience has been satisfactory and our opinion favorable."

Miss Portnoy from Republic National Bank reported:

"We have had the account since May 1970. We accommodate the subject on 'an offering basis'. Since April there have been no outstandings. Our experience has been satisfactory and our opinion favorable."

Mr. Williams from National Bank of North America reported:

"We do not have a facility at the moment for the subject. In the past we have extended facilities on a secured basis. We cannot make any comment about our experience with the subject."

GK:rr

11/12/73

Miss Gaynus from Chemical Bank, New York, (tel. 770-2477) stated:

"We closed the account of American IBC in August 1973. In the past, we approved lines on an offering basis."

GK:rr

Karlsruher

1-02

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Plaintiff's Exhibit 26

DUN & BRADSTREET, INC.

BUSINESS INFORMATION REPORT

CASE REPORT checkup

© DUN & BRADSTREET, INC.

SIC	D-U-N-S		STARTED	RATING
61 59	05-155-5282	CD 1 OCT 3 1973	1969	—
	AMERICAN I. B. C. CORP	GENERAL LOAN INSTITUTION		
H	770 LEXINGTON AVE NEW YORK NY 10021 TEL 212 486-1212		SUMMARY	
			PAYMENTS	UNDETERMINED
			SALES	$40,000
			EMPLOYS	30
	SHELDON SILVERSTON, PRES RICHARD JUG, V PRES HERBERT H. WALKER, SEC & TREAS DIRECTORS: The Officers		RECORD	CLEAR
			FINANCING	SEC-UNSEC

PAYMENTS — Due to the nature of operations, the subject is not a seeker of general commercial credit. Majority of expenses are for salaries, normal operating accruals, which are met on a cash or close to cash basis.

FINANCE — On October 3 1973 interviewed employee who declined all financial information.

On October 3 1973 contacted Sheldon Silverston President, who declined financial statement. He did report sales for the first six months of the year was in excess of $18,000,000. Annual sales estimated by reporter at $40,000,000.

BANKING — Principal stated subject has extensive banking facilities with at least 15 banks in the United States, Columbia Switzerland, Austria and Lebanon. Loans are granted on a secured and unsecured basis.

HISTORY — Incorporated Delaware May 1969. Entity confirmed.

Silverston stated that starting capital was in low seven figure proportions derived from subordinated loans.

SILVERSTON born 1928 and married. 1949 graduated University of Miami 1950-1952 U. S. Military Intelligence Staff Far East, 1953-1960 Economic Consultant on own account in Panama and Hong Kong. 1961-1964 economic consultant on own account in New York City. 1964 until formation of the subject Vice President in charge of barter operations with Titan Industries Corp. New York City.

Victor Romano former Vice President, resigned during early 1973.

Gonzalo Ospina former Vice President resigned in early 1973.

Luis Lara former Vice President resigned in early 1973.

JUG born 1927 and married. 1949-May 1969 was President of Intertrade a Yugoslavian Bank.

WALKER born 1938 and married. B. A. and LL. B. St. Johns University Brooklyn, New York. Admitted to the New York State Bar in 1963. Joined the subject May 1969 at its inception. Presently also maintains law practice under his own name at 32 Broadway New York, New York.

Glucksman former Assistant Secretary left the subject in 1972.

AFFILIATES

The following are subsidiaries of the subject through majority stock interests.

I. B. C. Colombia Ltd., Columbia South America, 67% owned by the subject. Engaged in soft currency clearing transactions in Columbia South America.

(CONTINUED)

PX EXHIBIT _____ FOR IDENT.

_____ BORAH REPORTING SVC.

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Plaintiff's Exhibit 26

AMERICAN I. B. C. CORP
NEW YORK NY

OCT 3 1973
Page 2

HISTORY (Cont'd)

Inversions IBC Columbia South America, 84% owned by the subject. A lending institution in Columbia South America.

Constructors IBC Columbia South America, 46% owned by the subject. Engaged in construction and land development in Columbia.

Euro Sales Brussels, Belgium, 55% owned by the subject. Active as a sales organization. Sold interest in the subject during 1972.

Lunghin Berutt Lebanon, 60% owned by the subject. Active in the soft currency clearning and loan transactions.

Firesa IBC Guavaquil Ecuador, 67% owned by the subject. Active in the soft currency cleaning and loan transactions.

American IBC Peru Lima Peru. 100% owned by the subject. Active in finance and soft currency cleaninrg transactions.

Banco Nacional Bogato Columbia 77% owned by the subject. Active throughout Columbia.

OPERATION

Subject operates primarily as a general loan institution, using the bilateral laws in soft currency countries. Also converts soft currency into hard. Domestic operations include investment in producing oil and gas (holds oil royalties and investment in the stock market). Employs 30. LOCATION: At the caption address rents 300 square feet on the third floor of multi-story midtown Manhattan office building in good condition. Housekeeping is good.

Also maintains branches in Lima Peru Guayaquil Ecuador Bogoto Columbia.

10-11 (207 08) T93 CR67-12 +47

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EXHIBIT ____ FOR IDENT.
DURAN REPORTING SVC.

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Plaintiff's Exhibit 26

Dun & Bradstreet, Inc.

BUSINESS INFORMATION REPORT

SPECIAL NOTICE

SIC	D-U-N-S	© DUN & BRADSTREET, INC.	STARTED	RATING
61 59	05-155-5282	SN I AUG 23 1973		
	AMERICAN I B C CORP	GENL LOAN INSTITUTION		—

770 LEXINGTON AVE
NEW YORK N Y 10021
TEL 212 486-1212

In a communication received by this office July 30 1973 Victor Romano, Executive Vice President of subject stated he is no longer associated with American I. B. C. Corp.
8-23 (184 119)

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P/E EXHIBIT _____ FOR IDENT.
_____ DORAN REPORTING SVC.

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...INTERNATIONAL CORPORATION

SUPPLEMENT

STARTED RATING

SIC D-U-N-S

61 59 05-155-5282

AMERICAN I. B. C. CORP

770 LEXINGTON AVE
NEW YORK N Y 10021
TEL 212 486-1212

H

1973 MAR 27 DUN & BRADSTREET 1454

AD 1 MAR 27 1973
GENERAL LOAN
INSTITUTION.

File

PAYMENTS Due to nature of operations subject does not purchase merchandise for resale. Majority of expenses are for salaries and operating accruals.

CHANGES On March 27 1973 Mrs Shannon, office manager said the following changes have taken place: Gonzalo Ospina is no longer Vice President of subject and Luis Lara is no longer Vice President.

CONDITION On March 27 1973 Mrs. Shannon, declined financial information.

BANKING Principal stated subject has extensive banking relations with at least 15 banks in the United States, Columbia, Switzerland, Austria and Lebanon. Loans are granted on a secured and unsecured basis..
3-28 (184 50) T 93 CR67-12

Untersuchen 10

...PRESIDENT ...PRESIDENT.

...BANK ... INC.

11/4/74

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PLAINTIFF'S EXHIBIT 27

WELLS FARGO BANK INTERNATIONAL CORPORATION
NEW YORK, N. Y.

MEMORANDUM: Checkings

DATE: December 3, 1971

SUBJECT: American IBC Corporation
New York, New York

Mr. Elyafi of Chemical Bank stated:

"Subject has maintained a routine non-borrowing account with us since August 12, 1969. Our opinion is favorable."

Mr. Early of Manufacturers Hanover stated:

"We have no account and no relationship."

Rochelle Shevah

Rochelle Shevah
Credit Assistant

/rs

Constitute 11-e

E 84

PLAINTIFF'S EXHIBIT 28

WELLS F...GO BANK INTERNATIONAL C PORATION

NEW YORK, N. Y.

MEMORANDUM:

DATE: October 1, 1971

SUBJECT: American IBC Corp.
New York, New York

Mr. Manhertz of National Bank of North America, 623-2964 called for a mutual account revision on subject and reported the following:

"We have had the account since November 1969. We extend credit to the subject on an as offered basis. On April 30, 1970 we approved $18,650. Usage has been active. Checkings in January 1971 with one bank indicated that credit was extended on an as offered basis. We have their May 20, 1969 financial statement spread without comment. Our experience has been satisfactory and we have a favorable opinion of the company and its management."

Rochelle Shevah

Rochelle Shevah
Credit Assistant

/rs

Konstantinos 11-E

DM

JP

E 85

PLAINTIFF'S EXHIBIT 29

WELLS FARGO BANK INTERNATIONAL
40 WALL STREET – NEW YORK, N.Y. 10005

MEMORANDUM FOR FILE:

DATE: 7/28/73

SUBJECT: AMERICAN IBC CORPORATION, NEW YORK

While in Bogota, I learned from Gustavo Arango that there had been a problem between American IBC, Banco de la REpublica, the Bulgarian Foreign Trade Bank, and Swiss Credit Corp., resulting from the following :

A Bulgarian account swap was set up by American IBC with Banco de la Republica as the beneficiary of a letter of credit from Swiss Bank Corp. to be available against Banco de la Republica certification that it had credited an account designated by American IBC with $700,000 and Bulgarian certification that they had credited the clearing account dollars to somebody else. The Bulgarians never made the certification. The Banco de la Republica was not promptly informed of the Bulgarian failure, the expiry date of the Swiss letter of credit went past and the letter of credit was not extended. Result, the Banco de la Republica is out $700,000 and has severed relations with the Swiss bank. It also feels that American IBC cannot be dealt with in confidence and has severed relations with them. American IBC was not able to reimburse the Banco de la Republica for its loss and has asked that Banco de la Republica give it a couple of years to pay back the $700,000.

ACTION :

1. Gustavo Arango : Please review this case with Banco de la Republica and amend this report so that we are sure we have all the facts exactly correct.

2. Bill Boland : Please ask Sheldon Silverston of American IBC for all the facts in this case, as seen by him.

3. C.E. Lilien : Review the above reports and determine what our position toward American IBC should be.

4. Meanwhile, until this is clarified, we should avoid handling any new transactions with American IBC.

Charles E. Lilien
Executive Vice President

cc.: Messrs. Cartier/Rodriguez-Pastor
Bogota Rep. Office
Van Voorssen/Ferreiro/Martin
Boland/Hawkins

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PLAINTIFF'S EXHIBIT 30

NEW YORK, N. Y. 5-18-1973

CONTRA

CREDIT TOTAL COMMERCIAL LOANS
LOANS UNSECURED
(278010)

AD-3662 American S.B.C. Corp

To reverse entry of 5-17-73

MADE | CHECKED | ENTERED

VALUE 5-17-73

1.000.00

APPROVED

NEW YORK, N. Y. 5-18-1973

DEBIT TOTAL COMMERCIAL LOANS
ADVANCE & [illegible] DIV.
(272013)

CONTRA

AD-3662 American S.B.C. Corp.

advance maturing 11-19-73 Interest at 8 1/2%.

MADE | CHECKED | ENTERED

VALUE 11-19-73

1.000,000.00

APPROVED

U.S. TRIAL EX. 33
FOR I.D.
7-1-74
C.A.F.

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PLAINTIFF'S EXHIBIT 31

WELLS FARGO BANK, N.A.

40 WALL STREET, NEW YORK, N. Y. 10005

PLFT'S EX. 31 IN EVID
11/6/74 DR

Date: 5-17-73

TO: Loan Servicing Section

Please follow the instructions outlined below, to ☐ Set up ☐ Renew ☐ Pay off the transaction indicated

Account: (Name) AMERICAN IBC Corp Number: .....

(Address) NY Currency: ..... Amount $1,000,000.00

..... Value: 5-17-73

☐ New

☐ Renewal of No.: .....

☐ Pay-Off/Payment on No.: .....

☐ Credit Proceeds to Account: .....

☐ Debit Borrower's Account: .....

☑ Other: PAY CHASE MANHATTAN Bk a/c Swiss CREDIT Bk, ZURICH ref AMERICAN IBC CORP

Advance/Loan/Discounts/Overdrafts

☑ Advance

☐ Loan

☐ Discounts

☐ Acceptance

☐ .....

Term/Renewal Period ..... 186 days

☑ Interest Rate ..... 8 1/2 ..... % P.A.

☐ Discount

☐ Commission ..... @ .....

☐ ..... @: .....

Principal Instalments of: Face To be paid 11-19-73

.....

Interest to be paid ☐ Monthly ☑ At Maturity ☐ .....

Interest to be calculated on basis ☑ 360 Days ☐ 365 Days ☐ 30/360

Collateral/Safekeeping/Documents
F/N DATED 5-17-73 for $1,000,000.00 payable on 11-19-73 (TO BE SENT)
LTR FROM AMERICAN IBC dated 5-15-73 OUTLINING INTERNATIONAL TRANSACTION.

Other Instructions/Comments

Reverse: See Loan Documentation Check List

Lending Officer

LS 01-6-72 5M

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PLAINTIFF'S EXHIBIT 32

MEMORANDUM:

DATE: December 30, 1969

SUBJECT: AMERICAN I.B.C. CORP. (AIBC)
440 Park Avenue, New York, N.Y. 10022

Mr. Kalus A. Leewkowitz, S.V.P. (Phone 212-623-5930), International Division, National Bank of North America, 44 Wall Street, New York, confidentially provided the following:

" This is a new relationship which was established as a result of a personal introduction approximately 3 months ago. I am the officer who is handling this new account and have chatted with Mr. Silverston about six times; the deposit account was opened approximately 5 weeks ago.

Silverston has offered us several proposals, some of which we have turned down while we have handled other proposals. Those which we have taken on may be classified in the following three categories:

1.) Discounting Acceptances.-

We have discounted two bank acceptances which have amounted to very small amounts. Since the drafts were presented by U.S. banks, there has been no extension of credit to subject, only an accommodation.

2.) Deferred Payments Letters of Credit.-

We have financed three deferred payment Letters of Credit which were confirmed by a prime U.S. bank. Since these Letters of Credit bear the confirmation of a U.S.bank there is no direct liability in the name of subject.

3.) Letters of Credit for Switch Transactions.-

We have opened a letter of credit on his behalf for a switch deal between South America and Europe.

Today, we can not report our experience since these transactions are still on the books and nothing has matured. I think it is implicit that good collateral is essential for these types of transactions. On the other hand, however, my impression of Mr. Silversten is that he is well schooled ,imaginative, resourceful, knowledgeable, competent, honest and has the personal contacts in order to do these exotic transactions which he engineers; he seems to know what he is talking about. "

PBF/evb.
cc: D.L. Jalving, A.V.P.-MFB/SF
(done for MFB/SF)

Peter B. Fowler
Credit Officer

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PLAINTIFF'S EXHIBIT 33

SPECIAL TERM, PART 2

Justice Lupiano

ORDERS SIGNED

176 EAST 77 ST. CO. v. Conciliation and Appeals Board; People, &c., v. Rodriguez, Gallagher, Pagan; Tower Health Club v. Furness; Summit Ins. Co. v. Simpson; In re No. 26 Ser. No. 2409, No. 25 Ser. No. 630, No. 25 Ser. No. 2372, No. 25 Ser. No. 159, No. 25 Ser. No. 510; Terr v. Tax Comm'rs; Sakow v. Furman; In re 213 Realty Corp., Berrios; Rodriguez v. Ginario; In re KFO, Inc.; Holmes Security Corp. v. Reed; Dykes Lumber Co. v. City Block Corp.; Denihan v. Denihan; Stevenson Engineering Co. v. The Learning Aids Group, Inc.; Flores v. Flores; United Brands Co. v. Am. IBC Corp.; Sabini v. Tarnell; Burns v. Sugarman; Drewand Properties, Inc., v. Lowenthal; Santiago v. Yehuda Macabee Realty Co.; 59th Taft Corp. v. Tax Comm'rs; 240 E. 87th St. Corp. v. Leventhal; 536 Associates v. The Prime-Burger, Inc.; Lilley, Jr., v. Evans; In re Whitler Contracting Co. (Court Excavating); Byrd v. Gould Services; Perrini v. Goldin; Taylor v. Sugarman; Day v. Bradford; Curtis v. 40 Realty, Inc.; Taylor v. Sugarman; Alers v. Merizade; Polier v. Polier; Richards v. Schiffman; In re Hangchow Restaurant, Inc. (L. Klass), Jiffy John In. (S. H. Lipson); Lewis v. Schenck; Morkol Associates, Inc., v. Kerr.

AMERICAN ORCHESTRA FOR CONTEMPORARY MUSIC, INC., 517 East 11th Street Housing Development Fund Corporation, 230 East 117th Street Housing Development Fund Corporation, 334-36 East Eighth Street Housing Development Fund Corporation—Certificates approved.

E 90

PLAINTIFF'S EXHIBIT 34

ARTISTIC LEATHER GOODS MANUFACTURING CORP. v. NASH-AMERICAN LEATHER GOODS CO., INC.—Motion to dismiss various affirmative defenses and counterclaims denied with leave to renew upon proper papers including a copy of the pleadings.

BEAUTEX MFG., INC. v. 4234 COMPANY—Motion to vacate interrogatories granted to the extent only of extending defendants' time to answer until twenty days after conclusion of the depositions of plaintiffs. The interrogatories seek relevant and material information; however, defendant, having first served notice of examination, is entitled to priority.

UNITED BRANDS CO. v. AMERICAN I. B. C. CORP.—Motion disposed of in accordance with decision in companion motion filed herewith.

300 WEST REALTY v. City of N. Y.; THALHEIM EXPOSITION v. Fisher; MALKIN v. Wright—Orders signed and filed.

CANCE v. HARTFORD ACCIDENT —Order with notice of settlement signed.

KARAMAN v. ROTH — Order signed and filed.

TRIAL TERM, PART 4

Justice Gellinoff

EMPIRE MUTUAL INS. v. DUNN Judgment signed and filed.

FABULOUS STATIONERS, INC. v. REGENCY JOINT VENTURE — Motion for summary judgment dismissing this declaratory judgment action is granted.
Settle order.
See memorandum on file.

McALEER v. LOFGREN—Motion to transfer an action pending in Rockland County, and to consolidated it with the action pending before this court, is granted without opposition. Settle order.

NATIONAL BANK OF NORTH AMERICA v. ULTRA PET, INC.—Plaintiff's motion for summary judgment is granted without opposition.
Settle order.

CORR v. CONSTABLE—Motion to restore this action to the Trial Calendar is granted. The action is placed upon this court's calendar for Jan. 11, 1974.

FARMELY v. ALITALIA-LINES AEREE ITALIANE, S.P.A.—Motion to strike the interrogatories is granted with leave to defendant to serve additional interrogatories in the event its deposition of plaintiff does not result in the obtaining of all relevant information.

SAMUELS v. KAHAN — Motion granted to the extent of directing that the discovery and inspection be held at the premises of defendant, or, alternatively, that the parties accept photocopies of the hospital record at issue.

LESSARD v. DELL PUBLISHING CO., INC.—Defendant deHory's motion to reargue is denied, for the reasons stated in this court's decision dated May 18, 1973.

SCHIRMEISTER v. MABSTOA—Motion to strike the amended bill of particulars is granted without opposition and with leave to plaintiff to move for permission to serve such amended bill.

TRANS-UNIVERSAL HOTELS CORP. v. CITY OF NEW YORK—Motion denied.
See memorandum on file.

ROSENBERG v. MATTEL, INC. — Motion to preclude is granted unless plaintiff serves a bill of particulars responsive to the demand within ten days after service of a copy of this order with notice of entry. Defendant is awarded costs of this motion.

MORGANSTERN v. FORD MOTOR CO.—Motion to compel plaintiffs to respond to interrogatories is granted. See memorandum on file.

UNITED BRANDS CO. v. AMERICAN IBC CORP.—In accordance with the determination reached by the court during a conference with the parties, the motion to dismiss the complaint and to vacate the order of attachment are deemed a motion for a more definite statement, and, as such, are granted. Plaintiff may serve an amended complaint within twenty days after service of a copy of this order, with notice of entry, specifically stating the provisions of foreign law relied upon.

E 91

PLAINTIFF'S EXHIBIT 35

	Lunch	Bankers Club	John Bulkeley, Corporate Banking Group, WFB, San Francisco and R.VanVeerssen lunched together & discussed WFBI's role in Latin America	$ 31.29	
11/20/73	Lunch	Bankers Club	Shelley Silverstone, American IBC, R. Van Veerssen lunched together and discussed Dominician Republic proposal	$ 25.66	
11/21/73	Lunch	Bankers Club	Y. Nakanishi, Sec.Treasurer, H. Takenaka, Asst.Treasurer, Ataka America, Inc., Norman Toa, E. Besch, R. VanVeerssen of WFBI lunched together and discussed possible financing of exports to Latin America	$ 50.11	
11/23/73	Lunch	Bankers Club	E.Takahasi, Treas., K. Mizutani, Assistant Mgr., both of Toyomenka America, Norman Tao, E. Besch, R. VanVeerssen lunched together & discussed possible financing		
			TOTALS	$ 107.06	$

NAME R. Van Veerssen

REVERSE SIDE FOR INSTRUCTIONS — REPORT OF MISCELLANEOUS OUTPUT

DAY	NATURE OF EXPENSE	PLACE	BUSINESS RELATIONSHIP AND BUSINESS PURPOSE	ENTERTAINMENT BUSINESS DEVELOPMENT EXPENSE	OTHER EXPENSE
			CARRIED FORWARD	$107.06	
			of exports to Latin America	$75.58	
30/73	Lunch	Bankers Club	Tatsuo Nagashima, V-P & Genl. Mgr., Takavasu Yokovama, Sr.V-P & Treas., Yuji Umeda, Assistant Genl. Mgr. all three of Mitsui Co., Norman Tao, E. Besch, R. VanVeerssen lunched together and discussed possible financing of exports to Latin America	$101.58	

E 92

Plaintiff's Exhibit 35

SUMMARY OF REIMBURSED EXPENSES

(PLEASE PRINT OR TYPE)

Dec. 19, 197

DATE

NAME R. Van Veerssen OFFICER IDENT. NO. _____ OFFICE OR DEPT. _____ INT. NO

CHARGE DEPT. (IF OTHER THAN ABOVE) WFBI, N.Y. PURPOSE OF TRIP Account #7301

HEAD OFFICE

GRAND TOTAL FROM CON 15	$ 284.2
TOTALS FROM FORM CON 5:	
BUSINESS DEVELOPMENT EXPENSE	$
MISC. OUT-OF-POCKET EXPENSE	$
TOTAL EXPENSES	$ 284.22

CONTROLLER'S DATE

BANK INTERNATIONAL #0355

DEC 21 1973

NEW YORK, N. Y.

R. Van Veerssen

LESS: PAID BY BANK	
CASH ADVANCE	
DUE ME ~~YOU~~	$ 284.22

Please make check payable to Bar club & mail in attached envelope

APPROVED C.E. Lilien

MANAGER OR DEPARTMENT HEAD

DIVISION VICE-PRESIDENT W.F.-B

CON 18 (9/70)
PART I

E 93

PLAINTIFF'S EXHIBIT 36

ID-3643

PLFT'S EX. 101 in
11/6/74 BP

LOAN AUTHORIZATION

WELLS FARGO BANK INTERNATIONAL
40 WALL STREET, NEW YORK, N. Y. 10005

TO Loan Servicing Section Date: 5-3-73

Please follow the instructions outlined below, to ☐ Set up ☐ Renew ☐ Pay off the transaction indicated

Account: (Name) AMERICAN IBC Corp Number:

(Address) NY Currency: Amount: $1,000,000.00

Value: 5-3-73

☐ New

☐ Renewal of No.:

☐ Pay-Off/Payment on No.:

☐ Credit Proceeds to Account:

☐ Debit Borrower's Account:

☑ Other: PAY CHASE MANHATTAN BK NY, for a/c SWISS CREDIT BK, ZURICH, a/c AMERIC IBC CORPORATION

Advance/Loan/Discounts/Overdrafts

☑ Advance — Term/Renewal Period 183 days

☐ Loan — ☑ Interest — Rate 8 % P.A.

☐ Discounts — ☐ Discount

☐ Acceptance — ☐ Commission @

☐ — ☐ @:

Principal Instalments of: Face. To be paid 11-2-73

Interest to be paid ☐ Monthly ☑ At Maturity ☐

Interest to be calculated on basis ☑ 360 Days ☐ 365 Days ☐ 30/360

Collateral/Safekeeping/Documents

PN dated 5-3-73 for $1,000,000.00 payable 11-2-73 (amt to custo
of 3,240,000 Time Deposit with WEB/LUX as collateral.

Other Instructions/Comments

WELLS FARGO BANK INTERNATIONAL N.Y. MAY 3 1973 1ST DEP

Reverse: See Loan Documentation Check List

Authorizing Officer

E 94

PLAINTIFF'S EXHIBIT 37

Interne Kopie

W

Reg

Gutschr.

Gemäss Abschluss vom / Selon notre entente du / As per our agreement on 30.4.

8021 Zürich, 2.11.73

De/61./2520

American IEC Corporation
770 Lexington Avenue
New York NY USA 10021

Devisen-Termingeschäft
Opération de change à terme
Foreign exchange forward transaction

Liquidation

bitten wir Sie, uns zu liefern
veuillez nous livrer
please deliver to us

Betrag / Montant / Amount	Val.	Kurs / Cours / Rate
Fr. 3.303.850.--	2.11.	3.1730

Fr. Kto. 205 635-01

haben wir Ihnen zu liefern
nous avons à vous livrer
we have to deliver to you

Betrag / Montant / Amount	Val.
US$ 1.042.814.37	2.11.
Konto / Compte / Account US$	No. 983982-K

X wofür wir Sie belasten bzw. wofür Sie uns erkennen wollen
dont nous vous débitons resp. dont veuillez nous créditer
for which amount we debit you resp. please credit our account

W

☐ wofür wir Sie erkennen bzw. wofür Sie uns belasten wollen
dont nous vous créditons resp. dont veuillez nous débiter
for which amount we credit you resp. please debit our account

X Ihre Anschaffung / Votre paiement / Your payment

X Unsere Anschaffung / Notre paiement / Our payment

bei / à / to

bei/durch - chez/par - with/through
The Chase Manhattan Bank
New York

bei / chez / with
Wells Fargo Bank Limited
New York

Hochachtungsvoll Vos dévoués Yours very truly

Visa:

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE / SWISS CREDIT BANK

Für diese Anschrift genügt eine Unterschrift
Pour cette adresse une signature suffit
For this advice only one signature is required

Interne Umrechnung:	Umrechnungskurs	Interner Umrechnungsbetrag Fr.
S. Nr. 424398		

S Nr. 2702 24000 5.72

BEST COPY AVAILABLE

E 95
PLAINTIFF'S EXHIBIT 38

...lung durch Fernschreibmaschine

...haben von

New York

0 -- Bankhaus

0081107
4172 17532

may 15, 1973
credit
- - -
attn: mr ribi
telex no. 51502
text key 997 | Sprechzeit stimmt | 12

we confirm having sold to you 3,182,557.92 swiss francs value november 19th, 1973 at the exchange rate of 3.04 sfrancs equal one dollar u.s. funds.
the united california bank london has been instructed to deliver the above sum in sfrancs to you value november 19th reference american ibc corp.
kindly deliver the countervalue in u.s. funds (1,046,894.05 dollars) to wells fargo bank inter'l corp. in favor of america n ibc corp value november 19, 1973.
sheldon silverston, president
american ibc corp New York

pl convey the two different message to mr ribi pl

52363c skal ch
421121 ibc ui

E 96

PLAINTIFF'S EXHIBIT 39

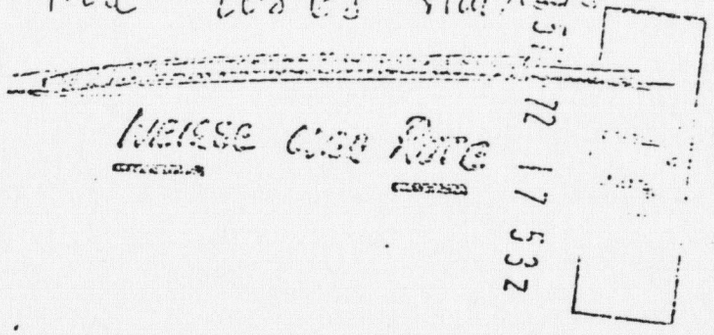
American Ibc Corp. New York N. Y.

Teilung durch Fernschreibmaschine

alten von New York Deutsche Bank

De - tisc 20865 stuttgart

1110 est
523630 skal ch
421121 ibc ui



may 15, 1973
credit
- - -
attention mr ribi
telex no. 51501
text key 712 Sprechzahl gilmot 12

We confirm we have purchased from you 3,130,000 swiss francs value 17 may 1973 at the rate of 3.13 sfrancs equal one dollar u.s. funds. we have instructed wells fargo bank int'l corp. to pay one million u.s. dollars in your favor reference american ibc corp to chase manhattan bank, value 17 may 1973. please credit the amount of united california bank london with you value may 17, 1973 ref: american ibc corp with the sum of 3,130,000 sfrancs.

sheldon silverston, president
american ibc corp New York

E 97

PLAINTIFF'S EXHIBIT 40

UNITED CALIFORNIA BANK

35/39 MOORGATE LONDON EC2R 6DD

01-628 9471

BRIAN H. WESTON VICE PRESIDENT

7th April, 1975

Mr. Gerald E. Ross,
Dunnington, Bartholow & Miller,
161 East 42nd Street,
New York, NY 10017,
USA.

Dear Mr. Ross,

Alan B. Miller, as trustee in Bankruptcy of American IBC Corporation, Bankrupt v. Wells Fargo Bank International.

With reference to your letter of March 26th, addressed to Mr. Rowton, we have to advise you that he has now returned to the United States and the writer has assumed his responsibilities.

We enclose copies of the following documents regarding a deposit of Swiss Francs 3,130,000 made with our Bank from May 17th, 1973 to November 19th, 1973:-

Letter from American IBC Corporation dated May 15th, 1973
Confirmation No. B08031 dated May 16th, 1973
Letter from American IBC Corporation dated May 23rd, 1973
Letter from American IBC Corporation dated June 15th, 1973
Letter to Swiss Credit Bank Zurich dated June 19th, 1973
Cable to American IBC Corporation dated July 16th, 1973
Cable from American IBC Corporation dated July 16th, 1973
Letter from American IBC Corporation dated July 16th, 1973
Cable to Credit Suisse Zurich dated July 18th, 1973.

Please be so good as to acknowledge safe receipt.

Yours truly,

E 98

Plaintiff's Exhibit 40

Maturity confirmation

American IBC Corp.

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

SHELDON SILVERSTON
PRESIDENT

May 15, 1973

TELEPHONE (212) 486-1212

United California Bank London
35/39 Moorgate
London E.C. 2 R6BD
E n g l a n d

Gentlemen:

We confirm having placed with you a Swiss Franc Time Deposit in the sum of 3,130,000 Swiss Francs as follows:

Value date: 17 May, 1973

Maturity: 19 November 1973

Interest rate: 3.25 pct. per 360 days

Amount of interest: 52,557.92 Swiss Francs

We have instructed Swiss Credit Bank Zurich, to credit your account with them under our reference with the sum of 3,130,000 Swiss Francs value 17 May 1973.

At maturity, kindly pay the sum of 3,182,557.92 Swiss Francs to Swiss Credit Bank, Zurich, attention: Mr. Ribi, in favor of American IBC Corp.

CONFIRMATION
RECEIVED

Very truly yours,

AMERICAN IBC CORP

Sheldon Silverston
President

SS/la
ccs: Swiss Credit Bank (Zurich)
Wells Fargo Bank (New York)
Meridian Deposit (London)

E 99

Plaintiff's Exhibit 40

UNITED
CALIFORNIA
BANK

(INCORPORATED WITH LIMITED LIABILITY IN THE U.S.A.)
35-39 MOORGATE LONDON, EC2R 6BD
TELEPHONE: 01-638 9471

CONFIRMATION

B 08031

DATE: 16 MAY 73

CONFIRM HAVING TAKEN THE FOLLOWING DEPOSIT FROM YOU

FROM	17 MAY 73
TO	19 NOV. 73

AYABLE TO OUR ACCOUNT WITH OUR CORRESPONDENT

WISS CREDIT BANK ZURICH

CURRENCY	AMOUNT
SWFR	3,130,000.00

PAYABLE BY YOUR CORRESPONDENT

INTEREST			
RATE	NO. OF DAYS	BASIS	
3.25	186	360	= 52,557.33

REPAYABLE TO YOUR CORRESPONDENT

WISS CREDIT BANK ZURICH

T MATURITY DEPOSIT PLUS INTEREST WILL BE REPAID BY OUR ASOVE CORRESPONDENT

TOTAL SWFR 3,182,557.33

AIL TO

TTENTION MR. S. SILVERSTONE
MERICAN I.S.C. CORPORATION
70 LEXINGTON AVENUE
EW YORK, N.Y. 10021, U.S.A.

BROKER:

AUTHORISED SIGNATURES

We are pleased to confirm our agreement to the details shown above.

Confirmed By: Shelden Silverstone, President
American IBC Corp.

BEST COPY AVAILABLE

E 100

Plaintiff's Exhibit 40

UNITED CALIFORNIA BANK

(A MEMBER OF STANDARD CHARTERED BANKING GROUP IN THE U.S.A.)

95 MOORGATE, LONDON, EC2R 6BD

TELEPHONE: 01-628 8471

Re Wells Fargo B 08031

DATE 16 MAY 73

WE CONFIRM HAVING TAKEN THE FOLLOWING DEPOSIT FROM YOU

FROM	17 MAY 73
TO	19 NOV 73

PAYABLE TO OUR ACCOUNT WITH OUR CORRESPONDENT

SWISS CREDIT BANK ZURICH

CURRENCY	AMOUNT
SWFR	3,130,000.00

PAYABLE BY YOUR CORRESPONDENT

INTEREST			
RATE	NO. OF DAYS	BASIS	
3.25	186	360	= 52,557.03

REPAYABLE TO YOUR CORRESPONDENT

SWISS CREDIT BANK ZURICH

AT MATURITY DEPOSIT PLUS INTEREST WILL BE REPAID BY OUR ABOVE CORRESPONDENT

TOTAL SWFR 3,182,557.03

MAIL TO

ATTENTION MR. S. SILVERSTONE
AMERICAN I.B.C. CORPORATION
770 LEXINGTON AVENUE
NEW YORK, N.Y. 10021, U.S.A.

BROKER:

AUTHORISED SIGNATURES

LI 201

E 101

Plaintiff's Exhibit 40

American IBC Corp.

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

SHELDON SILVERSTON
PRESIDENT

May 23, 1973

TELEPHONE (212) 486-1212

United California Bank
35/39 Moorgate
London E.C. 2 R6BD, England

Gentlemen:

With regard to your May 18th request for authorized signatures of our firm, they are furnished below.

Either the President or Secretary Treasurer may sign alone. The Executive Vice-President and the Vice-President require one other signature.

Very truly yours,

AMERICAN IBC CORP

Sheldon Silverston, President

SS/la

Victor Romano
Executive Vice-Pres.

Herbert H. Walker
Secretary Treasurer

Rihard Jug
Vice President

Sheldon Silverston
President

E 102

Plaintiff's Exhibit 40

From
the
desk
of
SHELDON SILVERSTON

May 24, 1973

Note

You will notice that Mr. Victor Romano signature does not appear in the enclosed letter. He is travelling abroad and as soon as he returns we will send you a note with his signature .

PAT
What is this?

E 103

Plaintiff's Exhibit 40

American IBC Corp.

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

SHELDON SILVERSTON
PRESIDENT

TELEPHONE (212) 486-1212

June 15, 1973

United California Bank London
35/39 Moorgate
London E.C. 2 R6BD
E n g l a n d

Subject: Our Time Deposit with you per your B08031 confirmation of 16 May, 1973 and our letter of 15 May, 1973

Gentlemen:

Subject Deposit matures on 19 November 1973, in the amount inclusive of interest of Swiss Francs 3,182,557.83.

Would you kindly acknowledge directly to the Swiss Credit Bank, Zurich attention- Mr. Alfred Vollenweider, that you have our irrevocable instructions to pay this sum in our favor to Swiss Credit Bank, Zurich.

Your prompt cooperation will be appreciated.

Very truly yours,

AMERICAN IBC CORP

Sheldon Silverston

Sheldon Silverston
President

SS/la

CABLE SHELSILVER - TELEX

E 104

Plaintiff's Exhibit 40

UNITED CALIFORNIA BANK
95/98 MOORGATE LONDON EC2R 6DD
01-628 9471

10002 22.VI.73 7-8

Swiss Credit Bank,
8 Paradeplatz,
8021 Zurich,
SWITZERLAND.

19th June, 1973.

Attention Mr. Alfred Vollenweider

Dear Sir,

SWFR 3,130,000.-- deposited with us by
American I.B.C. Corporation, New York
From 17th May, 1973 to 19th November, 1973.

We confirm that at maturity we have been instructed by American I.B.C. Corporation, New York to repay their above mentioned deposit to yourselves in their favour.

Yours faithfully,

Authorised Signature.

IBT/LP

(INCORPORATED WITH LIMITED LIABILITY IN THE U.S.A.)

E 105

Plaintiff's Exhibit 40

Swiss Credit Bank,
8 Paradeplatz,
8021 Zurich,
SWITZERLAND.

19th June, 1973.

Attention Mr. Alfred Vollenweider

Dear Sir,

SWFR 3,130,000.-- deposited with us by
American I.B.C. Corporation, New York
From 17th Nov. 1973 to 19th November, 1973.

We confirm that at maturity we have been instructed by American I.B.C. Corporation, New York to repay their above mentioned deposit to yourselves in their favour.

Yours faithfully,

Authorised Signature.

IBT/LP

E 106

Plaintiff's Exhibit 40

mf/eo/eo

[illegible]

United California Bank
35/39 Moorgate
London EC2R 6AR
England

Your reference MF/EO

Gentlemen,

Thank you for your letter of June 19, with which you confirm that you will pay us on November 15, 1973 the sum of Fr. 3,130,00.- in favor of the Swedish Esc Corporation, New York, which amount is being deposited with you on time by that company.

Yours very truly,

SWISS CREDIT BANK

[illegible]

BEST COPY AVAILABLE

E 107

Plaintiff's Exhibit 40

(Conformed Copy)

Fe/vo/ee

June 25, 1973

United California Bank
35/39 Moorgat
London, EC2R 6BD

England

Your reference IBT/LP

Gentlemen,

Thank you for your letter of June 19, with which you confirm that you will pay us on November 19, 1973 the sum of Fr. 3,130,000.- in favor of the American IBC Corporation, New York, which amount is being deposited with you on time by that company.

Yours very truly,

S W I S S C R E D I T B A N K

E 108

Plaintiff's Exhibit 40

421121 IBC UI
UCALBANK LDN

TO AMERICAN IBC CORPORATION NEW YORK

FROM UNITED CALIFORNIA BANK LONDON

ATTENTION MR SILVERSTON

RE YOUR DEPOSIT FOR SWISS FRANCS MATURING 19TH NOVEMBER. AS A RESULT OF YOUR LETTER DATED 15TH JUNE WE CONFIRMED TO CREDIT SUISSE ON THE 19TH JUNE THAT WE HAVE YOUR INSTRUCTIONS TO PAY THEM THE ABOVE SUM PLUS INTEREST AT MATURITY STOP WE DID NOT INCLUDE THE WORD ''IRREVOCABLE'' BECAUSE ALTHOUGH YOUR LETTER ASKED US TO CONFIRM THAT WE HAVE YOUR IRREVOCABLE INSTRUCTIONS, YOU HAVE NOT SPECIFICALLY GIVEN US SUCH AN INSTRUCTION STOP OUR ORIGINAL CONFIRMATION TO CREDIT SUISSE WAS ACKNOWLEDGED BY THEM ON 25TH JUNE BUT WE HAVE AGAIN BEEN ASKED BY THEM TO CONFIRM THAT WE HAVE YOUR IRREVOCABLE INSTRUCTIONS, LEADING US TO BELIEVE THAT THE EMPYASIS IS ON THE WORD ''IRREVOCABLE'' STOP

PLEASE THEREFORE SEND US AN IRREVOCABLE INSTRUCTION TO PAY THE ABOVE-MENTIONED FUNDS PLUS INTEREST AT MATURITY TO CREDIT SUISSE, ZURICH STOP IN THE MANTIME WE WOULD APPRECIATE IT IF YOU WOULD EXPLAIN THE SITUATION TO CREDIT SUISSE, ZURICH WHO ARE AWAITING AN URGENT REPLY

FX SETTLE DEPARTMENT

SENT 11.27, 1[illegible] JULY KE
@11 IBC UI
421121 IBCU
UCAL[illegible] LDN

07/16/73 1502 EST

421121 UCB UI

421121 UCB UI

UCALBANK LDN

E 109

Plaintiff's Exhibit 40

TO AMERICAN UCC CORPORATION NEW YORK

FROM UNITED CALIFORNIA BANK LONDON

ATTENTION MR SILVERSTON

RE YOUR DEPOSIT FOR SWISS FRANCS MATURING 19TH NOVEMBER. AS

A RESULT OF YOUR LETTER DATED 15TH JUNE WE CONFIRMED TO CREDIT

SUISSE ON THE 19TH JUNE THAT WE HAVE YOUR INSTRUCTIONS TO PAY

THEM THE ABOVE SUM PLUS INTEREST AT MATURITY STOP WE DID NOT

INCLUDE THE WORD "IRREVOCABLE" BECAUSE ALTHOUGH YOUR LETTER

ASKED US TO CONFIRM THAT WE HAVE YOUR IRREVOCABLE INSTRUCTIONS,

YOU HAVE NOT SPECIFICALLY GIVEN US SUCH AN INSTRUCTION STOP

OUR ORIGINAL CONFIRMATION TO CREDIT SUISSE WAS ACKNOWLEDGED BY

THEM ON 25TH JUNE BUT WE HAVE AGAIN BEEN ASKED BY THEM TO

CONFIRM THAT WE HAVE YOUR IRREVOCABLE INSTRUCTIONS. LEADING US

TO BELIEVE THAT THE ANSWER IS NO THE WORD "IRREVOCABLE" STOP

PLEASE TELEPHONE SWIFT US AS TO YOUR IRREVOCABLE INSTRUCTION TO PAY

THE ABOVE-MENTIONED FUNDS PLUS INTEREST AT MATURITY TO CREDIT

SUISSE ZURICH STOP IN THE MEANTIME WE WOULD APPRECIATE IT IF YOU

WOULD EXPLAIN THE SITUATION TO CREDIT SUISSE ZURICH WHO ARE

AWAITING AN URGENT REPLY

FX SETTLEMENTS DEPARTMENT

SENT 1407/16 JLY KEB

421121 UCB UI

421121 UCB UI

E 110

Plaintiff's Exhibit 40

UCALBANK LDI:
RCA 03521 1117
233781 IBC UR

JULY 16, 1973
UNITED CALIFORNIA BANK LONDON
- - - -
SETTLEMENT DEPT:
FROM AMERICAN IBC CORP.
AIRMAILING OUR IRREVOCABLE INSTRUCTIONS IN ACCORDANCE WITH YOUR TODAY'S TELEX 1427/16 JULY KEN AND PER REQUEST OF SWISSCREDIT BANK , ZURICH. REGARDS
AMERICAN IBC CORP

UCALBANK LDN
233781 IBC URO

E 111

Plaintiff's Exhibit 40

American IBC Corp.

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

HERBERT H. WALKER
GENERAL COUNSEL
SECRETARY-TREASURER

TELEPHONE (212) 486-1212

July 16, 1973

United California Bank London
35/39 Moorgate
London E.C. 2 R6BD, England

Attention: Settlements Dept.

Gentlemen:

With reference to our exchange of telex messages today, please consider this letter your irrevocable instructions to pay both principal and interest on our Swiss Franc Time Deposit maturing with you on 19 November, 1973 to Swiss Credit Bank, Zurich.

Very truly yours,

AMERICAN IBC CORP.

HERBERT H. WALKER

HHW/la
cc: Swiss Credit Bank
(Att: Mr. Alfred Vollenweider)

E 112

Plaintiff's Exhibit 40

10.7.1973

Fe/vo/ee

From Swiss Credit Bank, Zurich to
United California Bank, London

Your reference IBT/LP re your letter of June 19 and ours of June 25 re deposit of American IBC Corporation of Francs 3,130,000.- maturing November 19 please confirm urgently that you engage yourselves to pay to us irrevocably the above sum on November 19 thanks department Fe Vollenweider.

E 113

Plaintiff's Exhibit 40

MM
NC
M
52363A SKAL CH
UCALBANK LDN

TO CREDIT SUISSE ZURICH

FROM UNITED CALIFORNIA BANK LONDON

18TH JULY 1973

ATTENTION VOLLENWEIDER

TEST 3137

WE CONFIRM THAT WE HAVE IRREVOCABLE INSTRUCTIONS FROM AMERICAN

I.B.C. CORPORATION NEW YORK TO PAY YOU S.F. 3,130,000 PLUS

INTEREST ON THE 19TH NOVEMBER 1973

FX SETTLEMENTS DEPARTMENT

SENT SCD 1525 18.7.73
52363A SKAL CH
UCALBANK LDN

BEST COPY AVAILABLE

E 114

Plaintiff's Exhibit 40

Telegraphenbüro im Hause

Mitteilung durch Fernschreibmaschine

erhalten von

52363a skal ch

ucalbank ldn

to credit suisse zurich

from united california bank london

19th july 1973

attention vollenweider

test 3137 / Silbiziehl stimmt | 2

we confirm that we have irrevocable instructions from mnemonic

i.h.c. correspondent new york to pay you s.f. 3,170,000 plus

interest on the 19th november 1973 /

fx settlements department

United California Bank

London

sent scs 1525 19.7.73

52363a skal ch

ucalbank ldn

19 JUL 73 15 45z

003149

E 115

Plaintiff's Exhibit 40

PLAINTIFF'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

40

MAY 21 1975

[illegible] IBC ZURICH

MAY 15, 1973

MERIDIAN

- - -

WE CONFIRM TIMEDEPOSIT WITH UNITED CALIFORNIA BANK LONDON

3,130,000 SWISS FRANCS VALUE MAY 17TH 1973 MATURITY NOVEMBER

19, 1973.

INTEREST RATE 8.05 PCT PER 360 DAYS (INTEREST PAYABLE BASIS

186/360 DAYS) AMOUNT OF INTEREST FR.59,557.99 SFRANCS.

WE HAVE INSTRUCTED SWISS CREDIT BANK ZURICH TO CREDIT THE ACCOUNT

OF UNITED CALIFORNIA BANK LONDON ON BOOKS OF SWISS CREDIT BANK,

ZURICH VALUE MAY 17 WITH THE 3,130,000 SFRANCS.

FURTHER, KINDLY ARRANGE THAT THE 3,189,557.99 SFRANCS BE PAID BY

THE UNITED CALIFORNIA BANK LONDON TO SWISS CREDIT BANK, ZURICH

VALUE NOVEMBER 19, 1973 IN FAVOR OF AMERICAN IBC CORP.

REGARDS

SHELDON SILVERSTON, PRESIDENT

AMERICAN IBC CORP

RCA Global Communications

BEST COPY AVAILABLE

E 116

PLAINTIFF'S EXHIBIT 41

1/4 WFBI

Pay SF 1/4 below Euro Rate

to cover receive payment in NY No swap possible.

Will divide 8%.

Prime + 2% on = 8.44%; 8¼ for $ loan.

E 117

Plaintiff's Exhibit 41

(Conformed Copy)

CHAUVINIERE

RE SWISS FRANCS TIME DEPOSIT

PLEASE QUOTE TUESDAY 24 VALUE DATE THURSDAY 26 FOR THREE MONTHS SWISS FRANCS 3,259,000. NEW YORK CUSTOMER WISHES TO BORROW DOLLARS ONE MILLION AGAINST SUBJECT DEPOSIT. REGARDS,

LOBANOV 1/4 WFBI

WELLS FARGO BANK INTL, NY

Pay SF 1/4 below Euis Gate to cover reserve requirement in NY. No swap possible. Will check 8%.

Mr. Minsky, Dresdues 425-4640

Price + 20% com = 3.44%; 8 1/4 for $ loan.

E 118

PLAINTIFF'S EXHIBIT 42

OWNY326 201407 WLX396

NYK

.LUX

LUX 5 NYX 20 APR 73 15:06/PW

WELLS FARGO BANK INTERNATIONAL
1973 APR 20 AM 9:08
NEW YORK CABLE DEPARTMENT

WFBI N Y

ATTN: LOBONOV

RE : SWISS FRANCS TIME DEPOSIT

1. TUESDAY YOUR OPENING POZNIAK WILL SEND YOU SF QUOTES LUX PAYS TO ACCEPT DEPOSIT.

2. I ASSUME THAT THIS SWISS FRANC DEPOSIT PLACED WITH LUX WILL SERVE AS COLLATERAL FOR A DLRS 1 MIO LOAN MADE BY YOURSELVES TO YOUR NEW YORK CUSTOMER. IN OTHER WORDS WE SHOULD NOT GET INVOLVED IN DOING A SWAP SF / DLRS AND PROVIDE THE DLRS 1 MIO

PLEASE CONFIRM

REGARDS,

J. DE LA CHAUVINIERE

WELLS LUXEMBOURG

FROM: WELLS FARGO BANK
LUXEMBOURG
4/20/73

E 119

PLAINTIFF'S EXHIBIT 43

NRM:WWY436 241111 WLX407

NYK

LUX

LUX 1 NYK 24 APR 73 12:10/PW

(43)

WELLS FARGO BA
INTERNATIONAL
1973 APR 24 AM 8:2
NEW YORK
CABLE DEPARTMENT

WFBI N Y

WFBI NYK

ATTN:LOBANOV

RE:SWISS FRANCS TIME DEPOSIT

FOR SF 3.239.000,00 WE COULD PAY YOUR CUSTOMER FOR 3 MONTHS 3,25 O/O PA

IF YOU AGREE PLEASE PAY THE SWISS FRANCS VALUE 26TH APRIL 73 TO SWISS BANK CORP ZUERICH, ACC WELLS FARGO LUXEMBOURG. PLEASE ADVISE US.

IN THE MEANTIME WE HOPE THAT YOU RECEIVED J. DE LA CHAUVINIERE'S TELEX ON THE SAME SUBJECT. COULD YOU GIVE HIM AN ANSWER ON POINT TWO OF HIS TELEX.

THANKS A LOT AND BEST REGARDS:

EUGENE PRIM

WELLS FARGO LUXEMBOURG

FROM: WELLS FARGO BANK
LUXEMBOURG
4/24/73

E 120

PLAINTIFF'S EXHIBIT 44

FILE COPY

No. 05

X

FILE UNDER

WELLS FARGO BANK, LUX

ATT. MR. DE LA CHAUVINIERE

4/25/73	mg
DATE	WRITTEN
W.F. BOLAND	
ORIGINATOR	APPROVED
	W.F. BOLAND
DEPARTMENT	AUTHORIZED

CHARGES

RE SWISS FRANC TIME DEPOSIT

REGRET DEPOSIT FOR THURSDAY 26 UNABLE TO COMPLETE

PLEASE QUOTE RATES FOR THREE MONTHS SIX MONTHS NINE

MONTHS AND ONE YEAR SWISS FRANC DEPOSIT 3,239,000

REGARDS

BOLAND

DEBIT		INDICATE COMPLETE NAME ADDRESS AND OUR AND THEIR REFERENCES
BILL		
ABSORB		

E 121

PLAINTIFF'S EXHIBIT 45

WAY631 261621 WLX240

.NYK

.LUX

LUX 11 NYK 26 APR 73 17:10/PW

WELLS FARGO BANK
INTERNATIONAL
1973 APR 26 AM 11:19
NEW YORK
CABLE DEPARTMENT

WFBI N Y

W.F.B.I. NYK ATTN. BOLAND

FOR SF 5.239.000,- VALUE 30 APRIL 73 WE CAN PAY:

3 MOS 3 1/4

6 MOS 4 1/8

9 MOS 4 1/2

12 MOS 4 3/4

PLEASE ADVISE SOONEST, AND IF ANYTHING IS DONE PLEASE PAY TO SWISS BANK CORP. ZUERICH.

REGARDS/ EUGENE PRIM

WELLS LUXEMBOURG

FROM: WELLS FARGO BANK
LUXEMBOURG
4/2[illegible]/73

E

E 122

PLAINTIFF'S EXHIBIT 46

FILE COPY

No. 5

46

X

FILE UNDER

WELLS FARGO BANK, LUXEMBOURG

ATT: MR. POSNIAK

5/1/73	mg
DATE	WRITTEN
W.F. BOLAND	
ORIGINATOR	APPROVED
	W.F. BOLAND
DEPARTMENT	AUTHORIZED
	CHARGES

RE OUR TELEPHONE CONVERSATION 4/30/73 WE CONFIRM SWISS FRANCS TIME DEPOSIT 3,240,000 VALUE 5/3/73 PERIOD 182 DAYS MATURING NOVEMBER 2, 1973 RATE 4 ⅛ P.A.

SWISS FRANCS WILL BE CREDIEED YOUR ACCOUNT AT WX SWISS BANK CORP. ZURICH BY ORDER SWISS CREDIT BANK ZURICH BY ORDER AMERICAN I.B.C. 770 LEXINGTON AVE. N.Y.

AT MATURITY PAY PRINCIPAL PLUS INTEREST TO SWISS KRAX CREDIT BANK ZURICH, ATTENTION MR. RIBI SWISS FRANCS 3,308,850 CREDIT DOLLAR EQUIVALENT 1,042,814.37 TO WFBI FOR ACCOUNT AMERICAN I.B.C. ATTENTION BOLAND. REGARDS.

BOLAND

DEBIT		INDICATE COMPLETE NAME ADDRESS AND OUR AND THEIR REFERENCES
BILL		
ACCOUNT		

E 123

PLAINTIFF'S EXHIBIT 47

[illegible] 3 MAY 75 [illegible]

[illegible] -3 PM 3:24
NEW YORK
CABLE DEPARTMENT

WFBI N Y

ATTN BOLAND WELLS FARGO BANK INTL, NYK

RE: SWISS FRANCS TIME DEPOSIT S.F. 3.240.000,-

CONFIRM ACCEPTANCE S.F. 3.240.000,- MAY 3 - NOVEMBER 2

PLEASE BE ADVISED THAT THE RATE IS 4 1/4 O/O P.A. AND NO

OF DAYS IS 183

PLEASE CLARIFY INSTRUCTIONS FOR REPAYMENT OF S.F. 3.309.997,50

AT MATURITY

REGARDS/EUGENE PRIM

WELLS FARGO BANK N. A. LUXEMBOURG

NNNNE

FOR CREDIT TO THE ACCOUNT OF WELLS FARGO LUXEMBERG. NEW. AMERICAN

E 124

PLAINTIFF'S EXHIBIT 48

WELLS FARGO BANK INTERNATIONAL

40 WALL STREET • NEW YORK, N.Y. 10005

(28) No. 1973 AA

ACCOUNT NUMBER
230-000-00

AMERICAN I.B.C. CORPORATION
770 LEXINGTON AVENUE
NEW YORK, NEW YORK 10021

DATE OF STATEMENT
11/30/73

DEBITS		CREDITS	VALUE DATE	DATE	BALANCE
→ BALANCE FORWARD →				10/31	134.90
40,666.67	1,000,000.00			11/02	
		1,042,814.37		11/02	2,282.60
2,100.00				11/14	182.60
43,916.67	1,000,000.00			11/19	
		1,046,894.05		11/19	3,159.98
3,000.00				11/27	159.98

SUMMARY OF ACTIVITY

NUMBER OF DEBITS	AMOUNT OF DEBITS	NUMBER OF CREDITS	AMOUNT OF CREDITS	BALANCE AS OF STATEMENT DATE
4	2,087,683.34	2	2,089,708.42	159.98

PLEASE EXAMINE AT ONCE
FOR RECONCILIATION, SEE REVERSE SIDE

OD=OVERDRAFT

E 125

PLAINTIFF'S EXHIBIT 49

NOV 19 1973

The Bankers Club of America

Date 11-19-73

M Board B AUDIT NO. 313

2	NUMBER OF GUESTS	4 00
3	SERVICE	1 50
2	Mix & Flavorings	3 20
1	Fillet Mignon Chateau	13 00
1	#5	4 00
1	#1	5 00
1	Special	6 00
2	Coffee Extra	1 00
1	Iced Tea	60
		44 10
	10% Club Charge	5 00
		31 98
	5% N.Y.C. Sales Tax	2 00
	TOTAL	53 98

FOR OFFICE USE ONLY

45.50 * 0 *

BLUE ROOM

BOOK 1917 CHECK 13

MOORE BUSINESS FORMS, INC., E

The Bankers Club Of America

NOV 19 1973

DATE 11/19/73

M Board B AUDIT NO. 313

2	Vodka + Orange Juice	3 80
4	Jamaica Rum Collins	5 20
		9 00
		1 04
		11 44
		80
		12 24

FOR OFFICE USE ONLY

11-1111

BAR

BOOK 9920 CHECK 31

E 126

Plaintiff's Exhibit 49

The Bankers Club of America

Date 11-19-73

M Board 13 AUDIT NO. 5775

2	NUMBER OF GUESTS		
3	SERVICE 13		
2	Fine Herbs		
1	Silver Fizz		
1	#5		
1	#1		
1	Daiquiri		
2	Caper Sauce		
1	Blue Cheese		
	10% Club Charge		
	5% N.Y.C. Sales Tax		
	TOTAL		

FOR OFFICE USE ONLY

BLUE ROOM

BOOK 1917 CHECK -13

1917-13

MOORE BUSINESS FORMS, INC., E

Plaintiff's Exhibit 49

S. Seidenstein Pres.
V. Romano V.P
Amer. U.S.C.

Dominican Republic devel.
& discuss other problems

BEST COPY AVAILABLE

E 128

PLAINTIFF'S EXHIBIT 50

MILTON HOFFMANN
Certified Public Accountant
69-32 166TH STREET
FLUSHING, N. Y. 11365

212-591-5951

American I B C Corp.,
770 Lexington Avenue,
New York, N. Y. 10021

September 25, 1972.

Gentlemen:

I have conducted an audit of the books and records of your company for the year ended May 31, 1972, on a limited scope, without independent verification of the Balance Sheet items. I examined the legal documents of the company's transactions to determine that they were correctly reflected on the records.

Submitted herewith are a Balance Sheet as at May 31, 1972 and a Statement of Income, Profit & Loss for the year then ended together with supporting schedules.

Numerous items in the Balance Sheet require more detailed explanation so I am including same as part of this report.

NOTE #1 DUE FROM GEORGE F. WORNS $171,320.00

The corporation purchased Mr. & Mrs. George F. Worns' stock of the corporation. At that time, Mr. Worns was permitted to purchase certain assets from the corporation on a promissory note which is due December 31, 1972. All the assets purchased by Mr. Worns are being held as security collateral for the payment of the note. Among the assets are 15,000 shares of Damson Oil which is selling, over the counter, for approximately $6.00 a share at statement time; also an oil royalty which cost the company $50,000.00. There are sufficient assets which the corporation can liquidate to satisfy the note if unpaid. The company is collecting all oil royalty payments until the note is paid.

NOTE #2 NOTES RECEIVABLE & PAYABLE $2,150,000.00

The company had two notes from United Brands Inc; one for $1,500,000.00 and one for $650,000.00 both due 4/27/73. The note for $1,500,000.00 was discounted with the Republic National Bank and endorsed "Without Recourse". The $650,000.00 note was discounted with the Melon Bank and was also endorsed "Without Recourse". These loans are still being shown in the Current Assets and Current Liability sections of the Balance Sheet.

NOTE #3 DUE FROM UNITED BRANDS INC. $96,000.00

This item represents liquidated damages on default of contract by them for failing to conform with their contract to purchase a minimum of $5,000,000.00 clearing dollars from us.

E 129

Plaintiff's Exhibit 50

MILTON HOFFMANN
Certified Public Accountant
69-32 166TH STREET
FLUSHING, N. Y. 11365

212-591-5951

NOTE #4 ACCOUNTS RECEIVABLE PERU $26,478.00

These funds, which are blocked, are presently being utilized to pay commissions on pending transactions in Peru. The commissions will eventually exceed this sum and will be written off as paid.

NOTE #5 INVESTMENTS $1,084,081.53

Stock in Colombia de Seguros Bank	$	122,500.00
Arkat (vehicle)		3,231.78
Stock in Finanzas Y Representacionis, a (Colombia corporation)		1,616.16
Land Development in Santa Marta, Colombia		472,696.34
Banco National, Bogota, Colombia 536,666sh		428,378.95
House owned in Colombia - free and clear		25,993.52
Mortgage on another house owned in Colombia, S. A.		29,664.78
TOTAL	$	1,084,081.53

GENERAL COMMENTS

All loans relating to Colombia, South America have been adjusted to reflect the official exchange rate of 22.125 which is the prevailing official exchange rate as at May 31, 1972. Remittances are governed by licensing regulations.

Respectfully submitted,

MILTON HOFFMANN, C.P.A.

Milton Hoffmann

E 130

Plaintiff's Exhibit 50

AMERICAN I B C CORP.

BALANCE SHEET

MAY 31, 1972

A S S E T S

CURRENT ASSETS IN U.S.A.			
Cash in Banks - Schedule Attached		76,629.71	
Cash Sur. Value Off. Life Ins.		7,433.00	
Due from George Worms - Note #1		171,320.00	
Loans Rec.-Secured by Letters of Credit		477,035.69	
Loans Receivable		2,400.00	
Loans Receivable - United Brands Inc.		573,404.26	
Notes Rec.United Brds. Discounted Without Recourse - Note #2		2,150,000.00	
Due from United Brands - Note #3		96,000.00	
Exchanges		2,185.57	
TOTAL CURRENT ASSETS U.S.A.			3,556,409
CURRENT ASSETS - FOREIGN COUNTRIES			
Cash in Foreign Banks - Sched. Attached		19,006.87	
Accounts Receivable - Peru - Note #4		28,473.00	
Loans Rec.-Secured by Letters of Credit		217,596.80	
Loan Rec.- La Reforma (105,998.83DM)		33,386.32	
Demand Loan - (4,000,000 Pesos)		210,527.00	
Colombia Treasury Bills - S.A.		378,015.12	
Cedula Investment Colombia, S.A.		1,327,461.00	
TOTAL CURRENT ASSETS - FOREIGN			2,214,471
FIXED ASSETS IN U.S.A.			
Loans Rec. Secured by Letters of Credit		208,625.93	
Loans Receivable		9,400.00	
Furniture & Fixtures	45,550.09		
Less: Reserve for Depreciation	6,323.00	39,227.09	
Leasehold Improvements	29,500.46		
Less: Reserve for Depreciation	8,562.00	20,938.46	
Organization Expense Balance		100.00	
Security & Deposits		4,946.66	
TOTAL FIXED ASSETS U.S.A.			282,23
FIXED ASSETS IN FOREIGN COUNTRIES			
Loans Rec. Secured by Letters of Credit		95,250.00	
Loans Rec.-La Reforma (529,941.65 DM)		166,931.60	
TOTAL FIXED ASSETS-FOREIGN			262,181
OTHER ASSETS			
Investments - Note #5		1,084,081.53	
Colombia Partners-A.IBC Equity - S.A.		340,031.17	
Euro Sales		1,017.63	
United Brands - Due for Services		36,752.80	
Deferred Charges		1,500.00	
TOTAL OTHER ASSETS			1,463,37
			7,778.67

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E 131

Plaintiff's Exhibit 50

[redacted] CORP.

BALANCE SHEET

MAY 31, 1972

LIABILITIES & CAPITAL

CURRENT LIABILITIES		
Loans Payable - Swiss Credit Bank Dollar Account	265,142.88	
Sight Letter of Credit - Deposit	4,252.47	
Loans Payable - Secured by Letters of Credit	696,392.47	
Loans Payable - In Foreign Currency	164,847.12	
Loans Payable - Foreign Country - Secured by Letter of Credit	154,683.24	
Accounts Payable	9,251.23	
Payroll Taxes Withheld	7,528.13	
Note Payable - See Assets - Contra - Note #2	2,150,000.00	
Notes Payable - Banks	315,000.00	
Due Officer	2,018.30	
Accrued Expenses	12,495.57	
Federal Income Tax Due	3,500.00	
TOTAL CURRENT LIABILITIES		4,285,612.01
FIXED LIABILITIES		
Notes Payable - United Brands Inc. (62,000,000 Pesos)	3,119,832.00	
Loans Payable - Secured By Letters of Credit	206,635.93	
TOTAL FIXED LIABILITIES		3,325,467.93
TOTAL LIABILITIES		7,611,079.94
CAPITAL		
Capital Stock Outstanding	9,150.00	
Capital Surplus	23,137.50	
Earned Surplus	91,070.05	
Deferred Income	62,136.11	
Profit for Year Ended 5/31/72	24,009.51	
	167,395.67	
Less: Treasury Stock	32,000.00	
NET SURPLUS	135,395.67	
NET WORTH		167,593.17

E 132

Plaintiff's Exhibit 50

AMERICAN I B C CORP.

STATEMENT OF INCOME, PROFIT & LOSS

FOR THE YEAR ENDED

MAY 31, 1972

GROSS INCOME - SCHEDULE ATTACHED		1,261,039.57
SELLING EXPENSE		
Officers Salaries	84,000.00	
Telex Cables	14,600.72	
Telephone	20,322.61	
Travel	64,712.35	
Entertaining	14,088.06	
Miscellaneous Selling Expense	2,015.01	
Foreign Sales Representatives	100,250.00	
Commissions	21,250.00	
Bad Debts	10,000.00	
TOTAL SELLING EXPENSES		337,133.75
OPERATING EXPENSE		
Officers Salaries	32,500.00	
Rent	26,615.59	
Professional	22,610.00	
Interest & Bank Charges	609,426.03	
Messenger Service	1,793.65	
Dues, Fees & Registration	1,867.16	
Office Salary	72,654.33	
Insurance	5,117.30	
Stationery, Postage & Office Exp.	12,542.99	
Auto Expense	11,245.24	
General Expense	5,333.57	
Payroll Taxes	14,443.35	
Commercial Rent Tax	1,872.90	
N. Y. City Corp. Tax	6,022.56	
N. Y. State Franchise Tax	5,919.01	
Delaware Franchise Tax	500.00	
Depreciation & Amortization	9,035.00	
Compensation	240.00	
TOTAL OPERATING EXPENSE		899,811.21
TOTAL SELLING & OPERATING EXPENSE		1,236,940.0
NET INCOME		24,099.5

Letter of Transmittal is Part of This Report

E 133

Plaintiff's Exhibit 50

AMERICAN I N C CORP.

STATEMENT OF INCOME

FOR THE YEAR ENDED

MAY 31, 1972

SALE OF COMMODITIES	2,138.54	
PURCHASE OF COMMODITIES	501.53	
NET GAIN ON COMMODITIES		1,637.01
Sale of Clearing Dollars (2,500,000)	2,960,500.00	
Purchase of Clearing Dollars	2,915,417.80	
NET GAIN ON CLEARING DOLLARS		45,082.20
Sale of International Exchange	1,291,404.54	
Purchase of International Exchange	1,260,317.72	
NET GAIN ON INTERNATIONAL EXCH.		31,086.82
Oil Royalties		8,212.70
Interest Income		567,733.45
Profit on Homes Built in South America		17,826.25
International Exchange Differential		434,830.20
Income From Officers Life Insurance		3,210.00
Rent Income		1,600.00
Income From Contract Forfeitures (United Brands Inc.)		96,000.00
Income From Dividends		33,815.94
TOTAL GROSS INCOME		1,261,030.57

Letter of Transmittal is Part of This Report

E 134

Plaintiff's Exhibit 50

AMERICAN I. P. C. CORP.

SCHEDULE OF CASH IN BANKS - U. S.A.

FOR THE YEAR ENDED

MAY 31, 1972

Allied Bank International	1,628.62	
Chemical Bank	5,580.07	
National Bank of North America	16,458.21	
Wells Fargo	25,000.00	
Republic National	9,000.00	
Union Bank	3,890.28	
Chase Manhattan	13,937.19	
Broad National	130.65	
TOTAL CASH IN BANKS - U. S. A.		76,624.82

SCHEDULE OF CASH IN BANKS - FOREIGN

Banco des Cuento	2.78	
Swiss Credit Bank - Franc Account	13,171.78	
Swiss Credit Bank - Deutch Mark Account	5,332.39	
TOTAL CASH IN BANKS - FOREIGN		18,006.87
Petty Cash		4.89

Letter of Transmittal is Part of This Report

E 135

PLAINTIFF'S EXHIBIT 51

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- x

ALAN B. MILLER, As Trustee in Bankruptcy of AMERICAN IBC CORP., Bankrupt,

Plaintiff,

- against -

WELLS FARGO BANK INTERNATIONAL CORP.,

Defendant.

74 Civ. 3714 (M.P.)

AFFIDAVIT

- x

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

LOUIS DI GIOIA, being duly sworn, deposes, and says:

1. I am an officer of Wells Fargo Bank International Corp., defendant in the above-captioned action. I am in charge of the Operations Department of the bank which, among other things, handles clearing transactions to and from other banks. I make this Affidavit at the request of counsel for plaintiff.

2. At the present time, our bank and all of the large banks in New York handle clearings through an electronic system known as CHIPS; a computer is located at the clearing house. Banks which are part of the CHIPS network have computer terminals at the bank for processing payments to and receipts from other

banks. For example, if we wish to make a payment to another bank, pursuant to instructions from a correspondent or depositor, our clerk will enter the information into our CHIPS computer terminal. Typically, the entry will identify the source of the payment, the name of the receiving bank, a reference to the ultimate payee at the receiving bank, the amount and kind of currency involved (i.e., U. S. dollars or Swiss francs), and the time of payment. This information is then printed out on our machine so that it can be manually checked against our instructions. The same information is also electronically stored.

3. After the information has been checked, it is "released" for clearing. The exact time of release is recorded by the machine. The clearing house computer is programmed so that at the moment the payment is released, the paying bank's account at the clearing house is debited; and the receiving bank's account is credited with the amount of the payment. If the receiving bank has a CHIPS computer terminal, the payment information is recorded and printed out at the receiving bank a few seconds after it is released by the sending bank.

4. If the sending bank has a CHIPS computer terminal but the receiving bank does not, the payment information is received by and stored in the memory bank of a computer at the clearing house. At specified intervals throughout the banking day, the clearing house computer will print tickets showing the

payment information which has been stored in the computer and credited to the receiving bank's account during the period since the last preceding print-out. At a specified time, a messenger from the receiving bank picks up the payment slips and returns them to his bank for further processing. The release time is printed on the payment slip. This system, known as PEPS, differs from the CHIPS system in only one respect. The receiving bank is not instantaneously notified that it has received a payment.

5. If a paying bank discovers after the release time that a payment was made to the wrong bank or some other error was made requiring return of the funds, a standard procedure is followed whereby the paying bank guarantees the amount of the payment to the receiving bank. The receiving bank then issues a payment in the proper amount to the paying bank. This payment might be made through the clearing house or it might be made directly. This procedure is followed regardless of whether the receiving bank has a CHIPS computer or uses the PEPS system whereby the payment information is still stored in the memory bank of the clearing house computer.

6. In November, 1973, The Chase Manhattan Bank used the CHIPS system. Our bank did not yet have CHIPS equipment and, therefore, we still were required to send a messenger to the clearing house to pick up PEPS slips showing us how many payments we had received during the preceding few hours. Our messenger

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would go to the clearing house at 11:15 a.m., 2:15 p.m., and 3:30 p.m. every day to pick up and deliver PEPS slips.

7. Attached hereto as Exhibit A is a copy of the payment slip showing the payment on November 19, 1973 by the Swiss Credit Bank through The Chase Manhattan Bank to our bank of the sum of $1,046,894.05 (U.S.) to be deposited in the checking account of American IBC Corp. at our bank. Along the bottom of the document are codes identifying the sending and receiving banks and a "clearing time" of 112215. This means that The Chase Manhattan Bank "released" this payment to us at 11:22:15 a.m. on November 19, 1973. The payment was, of course, simultaneously received by the clearing house; and the information was stored in the clearing house computer. If our bank had been using a CHIPS terminal on that day, our machine would have printed out the payment slip a few seconds after the clearing time. Because we had not yet installed the CHIPS equipment, our messenger went over to the clearing house at 2:15 p.m. and picked up this slip and slips for all other payments made to us after the closing time for the 11:15 a.m. pick up that day. However, the funds were transferred to us as of 11:22:15 a.m. since they could not be returned to The Chase Manhattan Bank after that time unless the guarantee procedure used by New York banks was followed.

8. Some time during the afternoon of November 19, 1973, after our messenger returned with the 2:15 p.m. PEPS slips, the

Plaintiff's Exhibit 51

payment described in Paragraph 7 was credited by the bank to the account of American IBC Corp. Subsequently, on the same day, $1,043,916.67 was debited by the bank from the account of American IBC Corp. and applied in repayment of the principal and interest of the bank's loan to American IBC Corp. which was due on that date; and $200,000.00, representing Wells Fargo Bank, N.A.'s participating interest in this transaction, was transferred to Wells Fargo Bank, N.A. Attached hereto as Exhibit B is a copy of the account entries for American IBC Corp. for November, 1973.

Louis Di Gioia (L.S.)
LOUIS DI GIOIA

Sworn to before me this
13th day of January, 1975.

Notary Public
JOHN T. LEIGHT
NOTARY PUBLIC, State of New York
No. 30-7192020
Qualified in Nassau County
Commission Expires March 30, 1976

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PLAINTIFF'S EXHIBIT 52

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ALAN B. MILLER, as Trustee in Bankruptcy of AMERICAN IBC CORP., Bankrupt,	:	74 Civ. 3714 (M.P.)
Plaintiff,	:	JOINT FINDINGS OF FACT
-against-	:	
WELLS FARGO BANK INTERNATIONAL CORP.,	:	
Defendant.	:	

Plaintiff Alan B. Miller, as Trustee in Bankruptcy of American IBC Corp., Bankrupt and defendant Wells Fargo Bank International Corp., submit the following joint findings of fact.

FINDINGS OF FACT

I. The Parties and Their Relationship

1. American IBC Corp. ("American IBC") is a corporation organized on or about May 19, 1969 under the laws of Delaware and was engaged in international currency transactions, letter of credit transactions, "barter" and "switch" transactions and clearing currency transactions.

2. Sheldon Silverston ("Silverston") was at all

times hereinafter mentioned President and Chief Executive Officer of American IBC.

3. Defendant Wells Fargo Bank International Corp. ("the Bank"), with main offices at 40 Wall Street, New York City, a wholly owned subsidiary of Wells Fargo Bank, N.A. (a national bank based in San Francisco, California) conducts its business independently as an international bank created under the Edge Act and is subject to the Regulations of the Federal Reserve Board.

4. In or about December, 1969, Victor Romano ("Romano"), a consultant to American IBC and later Executive Vice President of American IBC, introduced Donald Jardine ("Jardine"), Vice President of Wells Fargo Bank, N.A. to Silverston.

5. Subsequently, Jardine introduced Silverston and Romano to Charles Lilien ("Lilien"), the Bank's Executive Vice President, and Peter Fowler ("Fowler"), a Bank loan officer. Shortly thereafter, American IBC began doing business with the Bank.

6. American IBC did business with several loan officers of the Bank. Whichever loan officer handled the matter was responsible for approving the particular finan-

cial transaction. Transactions were reviewed by a second officer, usually William Boland ("Boland"), the Bank's officer in charge of the credit department, or Lilien.

7. Between January, 1970 and May, 1973, American IBC and the Bank entered into numerous transactions.

8. Silverston, at various times, advised Boland, Nikita Lobanov ("Lobanov"), another Bank loan officer, and other officers of the Bank of some of American IBC's activities. Silverston submitted proposed financial transactions to Boland or to other officers of the Bank to whom he was referred by Boland. Some of these transactions were approved and entered into.

9. American IBC forwarded annual financial statements to the Bank. Its financial statement for its fiscal year ending March 31, 1970 was sent to the Bank on or about July 28, 1970. The statement for the fiscal year ending May 31, 1971 was sent to the Bank approximately September 22, 1971. The statement for the fiscal year ending May 31, 1972 was prepared on or about September 25, 1972 and subsequently sent to the Bank.

II. The First Loan Transaction

10. In or about April, 1973, Romano telephoned Boland to inquire about rates for a loan to be used by American IBC in connection with a proposed arbitrage transaction.

11. At the time American IBC first made inquiry to Boland about the proposed arbitrage transaction, Silverston informed him that American IBC was looking to invest the Swiss Francs at an acceptable interest rate.

12. Boland suggested that American IBC place the Swiss Francs in a time account in favor of Wells Fargo Luxembourg (a branch bank of Wells Fargo Bank, N.A.) which transacts business independently of the Bank. Wells Fargo Luxembourg offered to pay American IBC an acceptable rate of interest for the use of the Swiss Francs.

13. The Bank agreed to lend American IBC $1,000,000 in connection with the proposed arbitrage transaction. American IBC and the Bank entered into a letter agreement dated May 2, 1973, containing the terms and conditions for the loan.
September 22, 1971. The statement for the fiscal year ending

14. Up until this time, the Bank had never participated in any type of arbitrage transaction.

Plaintiff's Exhibit 52

15. At the same time, American IBC entered into a foreign exchange contract with Swiss Credit Bank to buy Swiss Francs in the "spot" market and to buy U.S. Dollars against the delivery of Swiss Francs six months thence.

16. Pursuant to the May 2, 1973 letter agreement, American IBC borrowed $1,000,000 from the Bank on May 3, 1973 at an interest rate of 8% per annum (calculated on a 360-day basis) for a period of 182 days, the loan becoming due on November 2, 1973.

17. Pursuant to American IBC's foreign exchange contract with Swiss Credit Bank, American IBC used the $1,000,000 to purchase 3,240,000 Swiss Francs (at an exchange rate of 3.240 Swiss Francs per U.S. Dollar) from Swiss Credit Bank on May 3, 1973.

18. On May 2, 1973, American IBC also contracted with Swiss Credit Bank to sell to Swiss Credit Bank 3,308,850 Swiss Francs for delivery on November 2, 1973 for $1,042,814.37 (at an exchange rate of 3.173 Swiss Francs per U.S. Dollar). The risk of fluctuating exchange rates between May and November was entirely upon Swiss Credit Bank; American IBC was thus assured of a dollar profit on November 2, 1973, greater than the payment due the Bank on the $1,000,000 loan.

Plaintiff's Exhibit 52

19. American IBC ordered Swiss Credit Bank to deliver the Swiss Francs into a time deposit in favor of Wells Fargo Luxembourg at Swiss Bank Corp.

20. By telex dated May 1, 1973, confirming an April 30, 1973 telephone conversation, the Bank, on behalf of American IBC, instructed Wells Fargo Luxembourg to deliver the funds in the time deposit upon its maturity (November 2, 1973) to Swiss Credit Bank for the account of American IBC.

21. On November 2, 1973, the proceeds of the time deposit were 3,309,997.50 Swiss Francs, slightly greater than originally anticipated.

22. On November 2, 1973, Swiss Bank Corp., on behalf of Wells Fargo Luxembourg, forwarded the Swiss Francs to Swiss Credit Bank for the account of American IBC with the following instructions:

> "Remit dollar equivalent
> to Wells Fargo Bank International
> Corp."

23. On November 2, 1973, pursuant to its foreign exchange contract with American IBC, Swiss Credit Bank exchanged 3,308,850 Swiss Francs for $1,042,814.37. The remaining 1,147.50 Swiss Francs remained in American IBC's account at Swiss Credit Bank.

24. Pursuant to the May 2, 1973 letter agreement, American IBC directed Swiss Credit Bank to forward to its account at the Bank $1,042,814.37 and Swiss Credit Bank so acted.

25. Pursuant to the May 2, 1973 letter agreement, the Bank, upon receipt of the funds on November 2, 1973, credited American IBC's account with $1,042,814.37. Against this credit, the Bank debited American IBC's account in the amount of $1,000,000 (the principal due), plus $40,666.67 (the interest due).

26. The transfer of funds to American IBC's account at the Bank on November 2, 1973 and the Bank's subsequent debiting of that account was repayment of the outstanding debt of American IBC to the Bank.

27. American IBC realized a profit of $2,147.70. In addition, American IBC retained 1,147.50 Swiss Francs in its account at Swiss Credit Bank.

III. The Second Loan Transaction

28. Shortly after the May 2, 1973 letter agreement was entered into, Silverston telephoned Boland to

inquire about rates for a second $1,000,000 loan for a second arbitrage transaction.

29. United California Bank offered an acceptable rate of interest and Silverston, using the services of Meridian Deposit Brokers, Ltd., contracted with United California Bank on or about May 15, 1973 for the deposit of the Swiss Francs in a time deposit in United California Bank, London for the account of American IBC.

30. The Bank agreed to lend American IBC $1,000,000 to be used in connection with the proposed arbitrage transaction.

31. At the same time, American IBC entered into a foreign exchange contract with Swiss Credit Bank to buy Swiss Francs in the "spot" market and to buy U.S. Dollars against the delivery of Swiss Francs six months thence.

32. On May 17, 1973, American IBC borrowed $1,000,000 from the Bank at an interest rate of 8.5% per annum (calculated on a 360-day basis) for a period of 186 days, the loan becoming due on November 19, 1973.

33. Wells Fargo Bank, N.A. (San Francisco) had a $200,000 participation in this loan.

Plaintiff's Exhibit 52

34. Pursuant to American IBC's foreign exchange contract with Swiss Credit Bank, American IBC used the $1,000,000 to purchase 3,130,000 Swiss Francs (at an exchange rate of 3.130 Swiss Francs per U.S. Dollar) from Swiss Credit Bank on May 17, 1973.

35. Also on May 17, 1973, American IBC contracted to sell to Swiss Credit Bank 3,182,557.83 Swiss Francs, for delivery on November 19, 1973, for $1,046,894.05 (at an exchange rate of 3.040 Swiss Francs per U.S. Dollar), and Swiss Credit Bank was instructed to forward this amount to the Bank upon completion of the sale on November 19, 1973. The 3,182,557.83 Swiss Francs represented the funds in the time deposit at United California Bank, London, at maturity. The risk of fluctuating exchange rates between May and November was entirely upon Swiss Credit Bank; American IBC was thus assured of a dollar profit on November 19, 1973, greater than the payment due the Bank on the $1,000,000.00 loan.

36. American IBC ordered Swiss Credit Bank to deliver the Swiss Francs to United California Bank, London pursuant to the contract between American IBC and United California Bank.

37. The Swiss Francs were placed in a 3.25% time deposit maturing November 19, 1973 for the account of American IBC.

38. When the loan was made on May 17, 1973, Silverston, on behalf of American IBC, advised the Bank that the funds in the United California Bank time deposit would be used to repay the Bank's second loan. With his confirming letter of May 15, 1973, Silverston enclosed copies of American IBC's instructions to United California Bank and a copy of the instructions to Swiss Credit Bank.

39. The May 15, 1973 letter stated that American IBC had given "instructions to Swiss Credit Bank to deliver the Swiss Francs to the account of United California Bank for Time Deposit."

40. The May 15, 1973 letter also stated that American IBC had given "instructions" to United California Bank London to pay the Swiss Francs principal and interest to Swiss Credit Bank, Zurich value November 19.

41. The May 15, 1973 letter further stated that American IBC had "instructed Swiss Credit Bank, Zurich to pay Wells Fargo Bank International Corp., New York, the sum of $1,046,894.05 value November 19, 1973."

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Plaintiff's Exhibit 52

42. On June 19, 1973, United California Bank confirmed by letter to Swiss Credit Bank that it had been instructed by American IBC to repay the 3,130,000 Swiss Francs to Swiss Credit Bank in favor of American IBC.

43. On June 25, 1973, Swiss Credit Bank acknowledged receipt of the confirmation from United California Bank dated June 19, 1973.

44. Swiss Credit Bank telexed United California Bank on July 16, 1973, requesting confirmation that United California Bank would "irrevocably" deliver the Swiss Francs to Swiss Credit Bank for the account of American IBC.

45. On July 16, 1973, United California Bank telexed American IBC stating:

> "Re your deposit for Swiss Francs maturing 19th November. As a result of your letter dated 15th June we confirmed to Credit Suisse on the 19th June that we have your instructions to pay them the above sum plus interest at maturity stop We did not include the word 'irrevocable' because although your letter asked us to confirm that we have your irrevocable instructions, you have not specifically given us such an instruction stop Our original confirmation to Credit Suisse was acknowledged by them on 25th June but we have again been asked by them to confirm that we have your irrevocable instructions, leading us to believe that the emphasis is on the word 'irrevocable' stop.

> "Please therefore send us an irrevocable instruction to pay the above-mentioned funds plus interest at maturity to Credit Suisse, Zurich stop In the meantime we would appreciate it if you would explain the situation to Credit Suisse, Zurich who are awaiting an urgent reply."

46. On July 16, 1973, American IBC by its general counsel wrote to United California Bank:

> "With reference to our exchange of telex messages today, please consider this letter your irrevocable instructions to pay both principal and interest on our Swiss Franc Time Deposit maturing with you on 19 November, 1973 to Swiss Credit Bank Zurich."

47. On July 19, 1973, United California Bank advised Swiss Credit Bank by telex that the instructions from American IBC were "irrevocable".

48. Pursuant to its contract with American IBC, United California Bank, London on November 19, 1973 forwarded the funds in the time deposit, 3,183,557.83 Swiss Francs, to Swiss Credit Bank for the account of American IBC.

49. Pursuant to its foreign exchange contract with Swiss Credit Bank, American IBC sold 3,183,577.83 Swiss Francs to Swiss Credit Bank for $1,046,894.05.

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Plaintiff's Exhibit 52

50. On November 19, 1973, Swiss Credit Bank forwarded $1,046,894.05 to the Bank for the account of American IBC by instructing its New York correspondent, The Chase Manhattan Bank, N.A., to deliver the aforesaid sum of money to the Bank on November 19, 1973.

51. At 11:22:07 A.M. on November 19, 1973, The Chase Manhattan Bank, N.A., acted on its instructions from Swiss Credit Bank and released the funds to the Bank at the New York Clearing House. At 11:22:15 A.M., the Clearing House confirmed the release of the funds, credited the account of the Bank, and debited the account of The Chase Manhattan Bank, N.A.

52. At or about 2:15 P.M. on November 19, 1973 a messenger from the Bank picked up the payment slip at the New York Clearing House showing the payment on that day of $1,046,894.05 by Swiss Credit Bank, through The Chase Manhattan Bank, N.A., to the Bank for deposit in the account of American IBC.

53. Thereafter, that same afternoon, the Bank credited $1,046,894.05 to the account of American IBC and debited American IBC's account $1,043,916.67 in repayment of the principal and interest due on the Bank's loan to American

IBC. In addition, the Bank transferred $200,000 to Wells Fargo Bank, N.A., as repayment of that bank's participating interest in this loan transaction.

54. The transfer of funds to American IBC's account at the Bank on November 19, 1973 and the Bank's subsequent debiting of that account was repayment of the outstanding debt of American IBC to the Bank.

55. American IBC realized a profit on the transaction of $2,977.38.

IV. Facts Relating To the Preference Issues

56. As of August 27, 1973, American IBC was indebted to Swiss Credit Bank in the sum of $940,603.23.

57. On August 29, 1973, Silverston telexed Swiss Credit Bank, instructing Swiss Credit Bank to debit American IBC's account an additional $75,000 and to apply the proceeds of the United California Bank time deposit ($1,046,894.05), when received (November 19, 1973), as repayment of all dollar advances theretofore made by Swiss Credit Bank to American IBC.

58. The Bank was not aware as of August 27, 1973

that American IBC was indebted to Swiss Credit Bank. The Bank did not know as of August 29, 1973, that Silverston telexed Swiss Credit Bank to apply the funds in the United California Bank time deposit to repay loans made by Swiss Credit Bank to American IBC.

59. Notwithstanding American IBC's instructions and unbeknownst to Silverston, Swiss Credit Bank on November 19, 1973 followed American IBC's original instructions and forwarded $1,046,894.05 to American IBC's account at the Bank. On November 19, 1973, Silverston met with Boland. On November 20, 1973, Silverston met with Robert Van Veersen, the Bank's loan officer in charge of Latin American transactions, to discuss a business proposal. Silverston was told several days later that the Bank was not interested in the proposal.

60. In late October, 1973, Lobanov recommended Silverston to Dr. Stanley J. Foster, a client of the Bank, for the purpose of having American IBC enter into "switch" transactions on behalf of Sunkist Growers, Inc.

61. Silverston met Lobanov at the Bank on November 20, 1973. On November 21, 1973, Lobanov wrote a letter to Sunkist Growers, Inc., which stated that "American IBC, New

York, is currently in financial difficulty" and recommended two other companies to act for Sunkist in connection with the "switch" transactions. Pursuant to Bank routine, a green tissue copy of Lobanov's letter was circulated to the officers of the Bank.

62. Silverston informed Boland and Lobanov during the year 1972 about American IBC's acquisition of the stock of Banco Nacional, the purchase of land at Inca Inca Bay, Colombia, and the construction of homes in Santa Marta, Colombia. The acquisition of the assets in Colombia were reflected in the financial reports of American IBC which were sent to the Bank.

63. In or about March, 1973, Gustavo Arango ("Arango"), the Bank's representative in Colombia, called Silverston and informed him that Luis Lara ("Lara") and Gonzalo Ospina ("Ospina"), Vice Presidents of American IBC, were claiming that they, individually, owned these assets. In October, 1972, Silverston had been warned that there were rumors to the effect that Ospina was claiming ownership of the stock of Banco Nacional. Silverston disregarded these rumors at that time in October, 1972.

64. In April, 1973, Silverston had a conversation with Boland about "problems" American IBC was having in Colombia.

65. On May 1, 1973, Silverston sent two letters to Boland, one of which contained a reference to a proposed settlement agreement with Lara and Ospina and giving the Bank instructions to serve as an escrow agent. The settlement agreement was never entered into and Lara and Ospina allegedly misappropriated the Colombian assets for their own use.

66. The transactions referred to in Silverston's letters dated May 1, 1973 to the Bank did not involve the Bank, other than as an escrow agent. Boland was aware that the settlement was never consummated through the Bank.

67. The May 31, 1972 and May 31, 1971 financial statements of American IBC which were sent to the Bank showed that assets valued at approximately $3,000,000 had been invested in Colombian enterprises.

68. Banco de la Republica is, and was in 1973, the Bank's correspondent bank in Colombia.

69. In March of 1973, Banco de la Republica alleged that American IBC had breached a contract with it and consequently owed it approximately $600,000.

Plaintiff's Exhibit 52

70. On June 20, 1973, American IBC entered into a settlement agreement with Banco de la Republica pursuant to which American IBC paid Banco de la Republica $300,000 and executed a promissory note in the amount of $297,415 with interest at 10% to be paid on December 31, 1973.

71. In July, 1973 Arango, the Bank's representative in Colombia, told Lilien that there had been a problem among American IBC, Banco de la Republica, Bulgarian Foreign Trade Bank, and Swiss Credit Bank as a result of a "currency swap" transaction in which the Bulgarian Bank failed to make a required certification, which caused Banco de la Republica to incur a loss on a letter of credit. According to Lilien, Arango said Banco de la Republica blamed American IBC for not informing it of the Bulgarian failure and had asked American IBC to reimburse it for its loss.

72. Thereupon Lilien wrote a memorandum containing a summary of the report from Arango, his instructions to Arango to consult with Banco de la Republica and to report back to him; and his instructions to Boland to fully investigate American IBC's version of the incident. The memorandum also stated that "until this is clarified, we should avoid handling any new transactions with American IBC."

73. In September, 1973, Arango wrote Lilien and stated that the Banco de la Republica matter was settled. In addition, Silverston wrote Boland informing him that the matter had been settled and enclosed a letter from the Bulgarian Bank and a letter from National Bank of North America, both of which quoted a telex sent by Banco de la Republica to the Bulgarian Bank stating that "they withdraw entirely all claims which may have been made against [Bulgarian Bank] or American IBC arising out of this transaction." No further investigation was made by anyone at the Bank to ascertain any terms of the settlement agreement, American IBC's financial condition, or American IBC's ability to make payment of $297,415 with interest at 10% on December 31, 1973.

74. The Bank was aware that American IBC did business with United Brands.

75. On or about June 15, 1973, United Brands commenced a lawsuit against American IBC and its affiliate for approximately $3,500,000. At the same time, an order of attachment against the property of American IBC was issued and served upon Chemical Bank, Manufacturers Hanover Trust Company, Republic National Bank, First National City Bank,

The Chase Manhattan Bank, N.A., Swiss Bank Corp., Barclays Bank International and National Bank of North America.

76. On September 10, 1973, the New York Law Journal reported the signing of an order extending United Brands' time to commence turnover proceedings in its lawsuit against American IBC.

77. On October 30, 1973, the New York Law Journal reported two decisions by Judge Gellinoff in the lawsuit between United Brands and American IBC.

78. On October 19, 1973 the Bank ordered a credit report on American IBC. The Bank denominates this type of report as a "CR 39" report.

79. Beginning October 31, 1973, the Bank compiled the "CR 39" credit report on American IBC. At the time the credit report was compiled the Bank had in its files several Dun & Bradstreet reports. Pursuant to the compilation of this credit report on or about November 2, 1973, the Bank made routine inquiries of four of the banks which did business with American IBC, three of which had been served with orders of attachment in the United Brands case.

80. American IBC's account at Chemical Bank was

closed by Chemical Bank during the summer of 1973 as a result of the attachment of the account by United Brands.

81. In connection with the Bank's credit report, Chemical Bank responded on or about November 12, 1973 to the Bank's prior request for credit information about American IBC:

> We closed the account of American IBC in August 1973. In the past, we approved lines on an offering basis.

82. No one at the Bank was ever informed of, nor did the Bank ever inquire about, the reasons behind Chemical Bank's closing of American IBC's account.

83. In August of 1973, American IBC breached four foreign exchange contracts with National Bank of North America and that bank commenced an action against American IBC on August 13, 1973, demanding damages in excess of $1,000,000. On August 30, 1973, American IBC entered into a settlement agreement with National Bank of North America pursuant to which American IBC agreed to fully perform its obligations under the contracts and pay that bank $5,586,400.

Plaintiff's Exhibit 52

84. In connection with the Bank's credit report, National Bank of North America responded on or about November 9, 1973 to the Bank's prior request for credit information about American IBC. The Bank's clerk wrote the following notation;

> We do not have a facility at the moment for the subject. In the past we have extended facilities on a secured basis. We cannot make any comment about our experience with the subject.

85. No one at the Bank made any investigation or further inquiry to determine why National Bank of North America refused to comment on American IBC.

86. The credit report, when completed, was sent to Boland; George Hawkins, another loan officer at the Bank; and Lilien.

87. As of July 5, 1973, Romano ended his association with American IBC and resumed business on his own.

88. On July 24, 1973, Romano wrote Boland to inform him of his change in status.

89. In or about July, 1973, Romano told Joshua Yedid, an officer of Republic National Bank, that American

IBC was suffering severe financial problems and warned him not to do any business with American IBC.

90. In the spring of 1973, Romano told Charles Mason, an officer of The Chase Manhattan Bank, N.A., that he had doubts about the financial condition of American IBC. Mason stated that he would check this information and shortly thereafter reported that he could find no reason to be concerned, which Mason later admitted was a mistake.

91. In August of 1973, Romano called and met with Jardine, Vice President of Wells Fargo Bank, N.A., in San Francisco, California.

92. At this time (August 1973) American IBC was indebted to the Bank in excess of $2,000,000, of which Wells Fargo, N.A. had a participating interest in the amount of $200,000.

93. No one at the Bank asked Romano why he had resigned, inquired of American IBC why he had resigned, made any other inquiries into the circumstances surrounding his resignation, or made any inquiry of Mr. Romano as to the business and affairs, or current financial position of American IBC.

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Plaintiff's Exhibit 52

94. On January 29, 1974, an involuntary petition in bankruptcy was filed against American IBC in the United States District Court for the Southern District of New York. On February 14, 1974, American IBC was duly adjudicated bankrupt and, on April 2, 1974, Alan B. Miller was appointed Trustee of the bankrupt estate.

95. The payment of $1,042,814.37 to the Bank on November 2, 1973, and the payment of $1,046,894.05 on November 19, 1973, were made within four months of the filing of a petition in bankruptcy against American IBC.

Dated: New York, New York
February 7, 1975

WEIL, GOTSHAL & MANGES

By _____
A Member of the Firm

Attorneys for Plaintiff
Alan B. Miller, as Trustee in
Bankruptcy of American IBC
Corp., Bankrupt
767 Fifth Avenue
New York, New York 10022
(212) 758-7800

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Plaintiff's Exhibit 52

DUNNINGTON, BARTHOLOW & MILLER

By _____
A Member of the Firm

Attorneys for Defendant,
Wells Fargo Bank International
Corp.
Office & P.O. Address
161 East 42nd Street
New York, New York 10017
(212) 682-8811

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PLAINTIFF'S EXHIBIT 53

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----------x

ALAN B. MILLER, as Trustee in Bankruptcy of AMERICAN IBC CORP., Bankrupt,

Plaintiff,

-against-

WELLS FARGO BANK INTERNATIONAL CORP.;

Defendant.

----------x

74 Civ. 3714 (M.P.)

STIPULATION

IT IS HEREBY STIPULATED AND AGREED by and between the undersigned that no issue remains to be tried with respect to the bankrupt's solvency since the parties acknowledge that American IBC Corp.'s liabilities exceeded its assets as of June 1, 1973 and all times thereafter.

Dated: May 20, 1975

WEIL, GOTSHAL & MANGES

By _____
(A Member of the Firm)
Attorneys for Plaintiff
767 Fifth Avenue
New York, New York 10022
(212) 758-7800

DUNNINGTON, BARTHOLOW & MILLER

By _____
(A Member of the Firm)
Attorneys for Defendant
161 East 42nd Street
New York, New York 10017
(212) 682-8811

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PLAINTIFF'S EXHIBIT 54

[illegible] TO EXECUTIVE COMMITTEE

[illegible] DATE October 19, 1973

NAME OF BORROWER AMERICAN ISC CORPORATION, NEW YORK, N.Y.

TYPE OF BUSINESS Financial Broker and Switch Dealer

AMOUNT CLASSIFIED	DESCRIPTION OF CREDIT	RATE	PRESENT LIABILITY	DATE AND AMOUNT LAST PAYMENT RECEIVED
,000,000	Advance for 183 days to mature 11/2/73 secured by a Swiss Franc 3,240,000.00 time deposit placed with WED/Lux.	8%	$1,000,000	
,000,000	Advance for 185 days to mature 11/13/73 secured by a Swiss Franc 3,180,000.00 time deposit placed with United California Bank, London.	8 1/2%	$1,000,000	
,000,000			$2,000,000	

DIRECT LINE

PLAINTIFF'S EXHIBIT U.S. Dist. Court S.D. of N.Y. 54 MAY 22 1975

PURPOSE AND REPAYMENT

To secure Swiss Franc time deposits.

Repayment to derive from underlying transactions.

[illegible] Wells Fargo Bank Int'l [illegible]

[illegible] International

DATE 5/31/73 [illegible] $7,611

[illegible] [illegible]

[illegible] G.J. Hawkins, V.P.

[illegible] Charles I. Gilion

Executive Vice President

Dirs

[illegible]

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PLAINTIFF'S EXHIBIT 55

PLAINTIFF'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

55

MAY 22 1975

WELLS FARGO BANK INTERNATIONAL
LOAN COMMITTEE
CONFERENCE ROOM (CALIF. ST.) - TENTH FLOOR - HEAD OFFICE
WELLS FARGO BANK, SAN FRANCISCO
DECEMBER 11, 1973 2:30 P.M.

PRESENT:	G. E. Venema	N. C. Alexander	B. K. Young
ALSO PRESENT:	J. S. Coates D. G. Gibb	W. L. Hart	A. A. Hellsten C. Rodriguez-Pastor
CONCURRING:	C. E. Lilien		

The following CR 39's were reported to the Committee:

Name	Amount Requested
Banco de la Nacion	10,000,000
National Bank of Hungary	5,000,000
American IBC Corporation	2,000,000
Cho Heung Bank, Ltd.	1,300,000

A. A. Hellsten
Secretary

G. E. Venema
Vice Chairman

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PLAINTIFF'S EXHIBIT 56

Interne Kopie

Rog

AMERICAN ISC CORPORATION
770 LEXINGTON AVENUE
NEW YORK N.Y. USA 10021

8021 Zürich, 30.4.73 DF/RT/2520

Gemäss unserer heutigen telefonischen Vereinbarung / Selon notre entente téléphonique de ce jour / As per today's telephone

☐ kauften bzw. übernahmen wir von Ihnen 1
vous nous avez cédé
we bought from you

☑ verkauften bzw. überliessen wir Ihnen 2
nous vous avons cédé,
we sold to you

Das Zutreffende ist mit × bezeichnet / Ce qui convient est marqué par un × / Please follow the instructions marked with ×

Betrag / Montant / Amount	Auszahlung / Paiement Payment	lieferbar / livrable for delivery	Kurs / Cours Rate	Gegenwert / Contrevaleur Equivalent
$ 1.042.214,37	NEW YORK WELLS FARGO BANK	2.11.73	3.1730	SFR 3.308.359.-

Wir bitten Sie, die beiliegende Gegenbestätigung unterschrieben zurückzusenden / Nous vous prions de nous retourner, dûment signée, la confirmation ci-jointe / Please sign and return the enclosed confirmation.

Hochachtungsvoll / Vos dévoués / Yours very truly
SCHWEIZERISCHE KREDITANSTALT

1 Bestätigungsformular
1 Confirmation

1, 2 bitte wenden / tourner s.v.p. / p.t.o.

Kauf / Verkauf	Interne Umrechnung: S. Nr. 424398	Umrechnungskurs	Interner Umrechnungsbetrag Fr.

3 Nr. 2783 3000 4.69

PLAINTIFF'S

EXHIB.
U. S. Dist. Cou.
S. D. of N. Y.
56
MAY 22 1975

E 169

PLAINTIFF'S EXHIBIT 57

Bestätigung
Confirmation

an / à / to
Schweizerische Kreditanstalt
Postfach
8021 Zürich

D

von / de / of
American IBC Corporation
770 Lexington Avenue
New York, NY 10021 USA

15.5.73 De/ja/2517

gemäss unserer heutigen telefonischen Vereinbarung / Selon notre entente téléphonique de ce jour / As per today's telephone

80305 / 28. V. 73 7-8

kauften bzw. übernahmen Sie von mir/uns 1
je vous ai / nous vous avons cédé
you bought from me/us

verkauften bzw. überliessen Sie mir/uns 2
vous m'avez / nous avez cédé
you sold to me/us

Zutreffende ist mit × bezeichnet / Ce qui convient est marqué par un × / Please follow the instructions marked with ×

Betrag / Montant / Amount	Auszahlung / Paiement Payment	Lieferbar / Livrable for delivery	Kurs / Cours Rate	Gegenwert / Contre-valeur Equivalent
$ 1,046,894.05	New York	19.11.73	3.04	Fr. 3,182,557.52

erklären uns mit dieser Transaktion einverstanden / Nous nous déclarons d'accord avec cette transaction / We confirm our agreement to this transaction.

23 May 1973.

Datum / Date

by American IBC Corp.
Sheila Silvestri
President

Unterschrift / Signature

Nr. 2783 5.71

1, 2 bitte wenden / tourner s.v.p. / p.t.o.

PLAINTIFF'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

57

MAY 22 1975

BEST COPY AVAILABLE

E 170

PLAINTIFF'S EXHIBIT 58

8021 Zürich, 15.5.73

REF: De/ ja/2517
Bitte wiederholen

Devisengeschäft
Opération de change
Foreign exchange transaction

Gemäss unserer heutigen Vereinbarung per Telefon/Telex
Selon notre entente de ce jour par téléphone/télex
As arranged today by telephone/telex

Kauften bzw. übernahmen wir von Ihnen
vous nous avez cédé
we bought from you

Betrag / Montant / Amount	Val.	Kurs / Cours / Rate
$ 1,000,000.--	17.5.73	3.13
$	-983 982-R	

verkauften bzw. überliessen wir Ihnen
nous vous avons cédé
we sold to you

Betrag / Montant / Amount	Val.
sFr. 3,130,000.--	17.5.73
Konto / Compte / Account sFr.	No. -943 782-

wofür wir Sie belasten bzw. wofür Sie uns erkennen wollen
dont nous vous débitons resp. dont veuillez nous créditer
for which amount we debit you resp. please credit our account

W

wofür wir Sie erkennen bzw. wofür Sie uns belasten wollen
dont nous vous créditons resp. dont veuillez nous débiter
for which amount we credit you resp. please debit our account

X Ihre Anschaffung / Votre paiement / Your payment

bei / à / to
The Chase Manhattan Bank
New York, NY 10015

X Unsere Anschaffung / Notre paiement / Our payment

bei/durch - chez/par - with/through
United California Bank
London EC2R 6BB

bei / chez / with

Hochachtungsvoll Vos dévoués Yours very truly

Visa:

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE SWISS CREDIT BANK

Für diese Anzeige genügt eine Unterschrift
Pour cet avis une seule signature suffit
For this advice only one signature is required

PLAINTIFF'S EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
58
MAY 22 1975

Interne Umrechnung:	Umrechnungskurs	Interner Umrechnungsbetrag
S. Nr. 20868		

E 171

PLAINTIFF'S EXHIBIT 59

19. Nov. 1973 | 420888

KUNDENABSCHLUSS

Wir KAUFEN: | Wir VERKAUFEN:

Währung/Betrag: 5 M. 00. 00. —

Kurse: 3.43

Valuta/Periode: 4715

Währung/Betrag: $ 3.150.00 TM

deren Anschaffung bei: Chase, N.Y.

unsere Anschaffung bei/zugunsten: Chemical California, Los Ag. Co. Int. N.Y.

Bemerkungen:

Ausführung über:

CHASE-A

Swap-Satz: -4½

Ultimo zur Ausführung: C

D-Position:

Devisenhandel: Datum: Visa:

Termin notiert: S

W-Vermerkung Termin-Geschäft:

D-Position: 4

TELEFON

Währung/Betrag: $ 3.142.557.92

Kurse: 3.84

Valuta/Periode: 4715

Währung/Betrag: $ 1.000.000.—

deren Anschaffung bei: Chem. Bank Calif. Los Ag. N.Y. Int.

unsere Anschaffung bei/zugunsten: Chase, New York, N.Y.

Bemerkungen:

Ausführung über: durch Chase, New York

Kontokl.: 02

eingegangen am 16. Nov. 1973 CSK

Visa

PLAINTIFF'S EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
59
MAY 22 1975

E 172

PLAINTIFF'S EXHIBIT 60

SS File
Wells Fargo Bowl

[illegible]

[illegible]

[illegible]

E 173

Plaintiff's Exhibit 60

(Conformed Copy)

WFB INT CORP

SHEL/SILVER

APR 30, 1973

WELLS FARGO BANK NY

- - - -

ATTN: MR BOLAND

WE HAVE JUST TELEXED SWISS CREDIT BANK ZURICH AS FOLLOWS:

QUOTE

CREDIT

ATTN: MR RIBI

COPY TO MR ALFRED VOLLENWEIDER

TEST KEY 726 SF 3,240,000

WE CONNIRM THHT WE HAVE PURCHASED FROM YOU 3,240,000 SWISS FRANCS AGAINST DOLLARS VALUE MAY 3, 1973.

PLEASE DELIVER THE 3,240,000 SFRANCS TO SWISS BANK CORP., ZURICH FOR CREDIT TO THE ACCOUNT OF WELLS FARGO LUXEMBERG, REF. AMERICAN IBC CORP ON MAY 3 WELLS FARGO BANK NEWYORK WILL DELIVER THE ONE MILLION DOLLARS TO CHASE MANHATTAN BANK, NEW YORK FOR CREDIT TO ACCOUNT OF SWISS CREDIT BANK ZURICH, REF. AMERICAN IBC CORP.

- - - -

WE FURTHER CONFIRM THAT WE HAVE SOLD YOU VALUE NOVEMBER 2, 1973 3,308,850 SFRANCS AGAINST PAYMENT TO US IN DOLLARS AT 3.173 SWISS FRANC EQUAL ONE DOLLARR

WELLS FARGO LUXEMBERG WILL DELIVER SWISS FRANC SUM TO YOU VALUE NOVEMBER 2, 1973 THRU SWISS BANK CORP, ZURICH. KINDLY ARRANGE DELIVERY OF COUNTERVALUE DLRS 1,042,814.37 TO WELLS FARGO BANK INTERNATIONAL CORP. NEW YORK VALUE NOVEMBER 2, 1973 REFERENCE AMERICAN IBC CORP.

SHELDON SILVERSTON., PRESIDENT

AMERICAN IBC CORP

UNQUOTE

WE ARE SENDING OUR CONFIRMATION LETTER TO YOU BY MESSENGER TODAY.

SHELDON SILVERSTON, PRESIDENT

AMERICAN IBC CORP.

WFB INT CORP

SHEL/SILVER

L 174

DEFENDANT'S EXHIBIT A

WELLS FARGO BANK
INTERNATIONAL
40 Wall Street • New York, N.Y. 10005

WILLIAM F. BOLAND
Vice President

MAY 7 1973

May 2, 1973

Mr. Sheldon Silverston
President
American I.B.C. Corp.
770 Lexington Avenue
New York, N.Y. 10021

Dear Mr. Silverston :

Confirming our telephone conversation of April 30, 1973 we agree to lend you $1,000,000 on May 3rd, 1973, at 8% p.a. on a 360-day basis.

The proceeds of our advance will be transferred to Chase Manhattan Bank, for credit of Swiss Credit Bank, Zurich, for account of American I.B.C. Corp. In return, Swiss Credit Bank, Zurich, will deliver on May 3rd, 1973, Sw.Fr.3,240,000 to Swiss Bank Corp., Zurich, in favour of Wells Fargo Bank, Luxembourg, in order to establish a time deposit to mature November 2nd, 1973, bearing interest at 4¼% p.a.

You have agreed to lodge with us as collateral the Swiss Franc time deposit as outlined in your letter dated April 30, 1973. We are enclosing our usual 'Advance Agreement' along with our time note for your execution.

As requested in your letter of April 30th, we have requested Wells Fargo Bank, Luxembourg, to repay through Swiss Bank Corp., Zurich, delivering the dollar equivalent to WFBI, New York, on November 2nd 1973, proceeds of which are to be utilized as follows :

- $1,000,000 - reimbursement to WFBI of principal amount.

- $ 40,444.44 - payment to WFBI for 182 days interest.

- $ 2,369.93 - credit to your account with WFBI.

We wish to quote to your our telex sent to Wells Fargo Bank, Luxembourg, on May 1, 1973.

./...

E 175

Defendant's Exhibit A

WELLS FARGO BANK INTERNATIONAL

Mr. S. Silverston, N.Y. (cont.) 5/2/73

quote

WELLS FARGO BANK, LUXEMBOURG

RE OUR TELEPHONE CONVERSATION 4/30/73 WE CONFIRM SWISS FRANCS TIME DEPOSIT 3,240,000 VALUE 5/3/73 PERIOD 182 DAYS MATURING NOVEMBER 2, 1973 RATE 4 1/8 (*) PERCENT P.A.
SWISS FRANCS WILL BE CREDITED YOUR ACCOUNT AT SWISS BANK CORP. ZURICH BY ORDER SWISS CREDIT BANK ZURICH BY ORDER AMERICAN I.B.C. 770 LEXINGTON AVE., N.Y. AT MATURITY PAY PRINCIPAL PLUS INTEREST TO SWISS CREDIT BANK ZURICH, ATTENTION MR. RIBI SWISS FRANCS 3,308,850 CREDIT DOLLAR EQUIVALENT 1,042,814.37 TO WFBI FOR ACCOUNT AMERICAN I.B.C. ATTENTION BOLAND.

unquote

(*) Increased rate to 4⅛% re telephone conversation on 4/30/73.

Kindly execute the enclosed documents and return same to us. If you agree with the above details please confirm by signing the enclosed copy of this letter and return to us.

With best regards.

Yours truly,

WFBoland

AMERICAN IBC CORP

Agreed by: by Sheldon Silverston, President

Encl.
WFB:mg

Journal 1973

CL #49

V-3-73

1	Purchase - Swiss Francs (3,240,010)	(A30)	1000000-	
2	Foreign Payable - Wells Fargo Bank NA	(L2)		1000000-
3	Loan from Wells Fargo was used to finance			
4	purchase of Francs which were put into a			
5	time deposit account and pledged as			
6	collateral for the loan dtd 11/7/73			
7	See CL #49 file for details			
8				
9	CL #47 V 11/7/73			
10	Purchase - Swiss Francs (3,130,000)	(A30)	1000000-	
11	Notes Payable - Wells Fargo Bank NA	(L2)		1000000-
12	Loan from Wells Fargo Bank was used			
13	to finance purchase of Francs which			
14	were put into a time deposit account			
15	and pledged as collateral for the			
16	loan dtd 11/19/73. See CL #47 file for details			
17				
18	V 3/73			
19	Bank charges	(E4)	00-	
20	Swiss Credit Bank Dollar Account	(A11)		00-
21	Duplication included in JE Page 27			
22	V 3/			
23	Legal Fees (1436.10 Fr @ .27/6)	(E4)	20164	
24	Bank Charges (6.10 Fr @ .27/6)	(E4)	165	
25	Bank Commission (12.50 Fr @ .27/6)	(E4)	340	
26	Swiss Credit Bank Francs Account (7454.70 Fr)	(A10)		20249
27	To record disbursements from			
28	Swiss Credit Bank Fr account			
29		(E4)	64927	
30	Legal			
31	Swiss Credit Bank Dollar Account	(A11)	64927	
32	To record payment of Legal Fees			
33	per account fee memo dtd 11/1/73			
34				
35				
36				

DEFENDANT'S EXHIBIT B

E 176

E 177

Defendant's Exhibit B

Journal 1973 (Conformed Copy)

CL49

5-3-73

Purchased-Swiss Francs (3,240,000)	A30	1,000,000	
Notes			
(Loans) Payable-Wells Fargo Bank N.A.	L2		1,000,000
Loan from Wells Fargo was used to finance purchase of Francs which were put into a time deposit account and pledged as collateral for the loan due 11/2/73 See Cl #49 file for details.			
CL #47 5/17/73			
Purchased-Swiss Francs (3,130,000)	A30	1,000,000	
Notes Payable-Wells Fargo Bank N.A.	1[illegible]		1,000,000
Loan from Wells Fargo Bank was used to finance purchase of Francs which were put in a time deposit account and pledged as collateral for the loan due 11/19/73. See CL #47 file for details.			
5/3/73			
Bank Charges	E4		
Swiss Credit Bank dollar account	A11		
Duplicate included in J.E. page 7			
5/31			
Legal fees (7436.10 FR a .2716)	E4	201,964	
Bank Charges (6.10 FR a .2716)	E4	165	
Bank Commission (12.50 FR a .2716)	E4	340	
Swiss Credit Bk Franc Account (7454.70 fr)	A10		202,469
To record disbursements from Swiss Cr Bank Fr Account			
Legal	E4	64,927	
Swiss Credit Bank Dollar Account	A11		64,927
To record payment of Legal Fee for our account for memo of 5/31/73			

TIME DEPOSITS

(Pledged as Collateral)

(SCI Collateral G-4 L-2)

1973			
May 3	Deliver to Lowenberg, CL 49 3,240,000 Swiss F.R.	ff	1000000
17	CL 17 United California Bank of London 3,130,000 Swiss FR	JG	1000000 - 2000000 -

Ex. C

E 178

DEFENDANT'S EXHIBIT C

Time Deposits
(Pledged as Loan Collateral
see contra C+L 2

1973			
June 1	CL 47 United California Bank of London 3,120,000 Swiss fr	1,500,000-	
	CL 49 Wells Fargo Luxembourg 3,240,000 Swiss fr	1,000,000-	
		2,500,000-	

Ex. A

E 179

DEFENDANT'S EXHIBIT D

Loans Payable

(Foreign Currency) (Secured)

Bytrac Deposits (Secured)

				Due	
1973					
June	1	Wells Fargo Bank NA	11/1/73		1,000,000
	1	Wells Fargo Bank NA	11/9/73		1,000,000

DEFENDANT'S EXHIBIT E

E 180

Ex. E

E 181

DEFENDANT'S EXHIBIT F

GENERAL PLEDGE AGREEMENT

In Consideration of any financial accommodation given, to be given or continued to the undersigned by WELLS FARGO BANK INTERNATIONAL CORPORATION (hereinafter called Bank), and as collateral security for the payment of all [illegible] existing, absolute or contingent, of the undersigned or any one or more of them to Bank (hereinafter called "indebtedness"), the undersigned hereby assign, transfer to and pledge with Bank all money and property this day delivered to and deposited with Bank, and all money and property heretofore delivered or which shall hereafter be delivered to or come into the possession, custody or control of Bank in any manner or for any purpose whatever during the existence of this agreement, and whether held in a general or special account or deposit or for safe-keeping or otherwise, together with any stock rights, rights to subscribe, liquidating dividends, stock dividends, dividends paid in stock, new securities, or other property which the undersigned are or may hereafter become entitled to receive on account of such securities or other property, and in the event that the undersigned receive any such property the undersigned will immediately deliver it to Bank to be held by Bank hereunder in the same manner as the property originally pledged hereunder. All money and property assigned, transferred to and pledged with Bank under this paragraph is hereinafter called "collateral".

Bank may accelerate payment of any indebtedness or require additional collateral whenever it deems itself insecure and the undersigned will at all times maintain with Bank collateral of a character and value satisfactory to Bank. The undersigned warrant with respect to all investment securities, instruments, chattel paper, documents, contracts, insurance policies and any like property delivered to Bank as collateral: (a) that the same are genuine, free from liens, adverse claims, default, prepayment, defenses and conditions precedent, except as disclosed thereby and otherwise disclosed or known to Bank; (b) all persons appearing to be obligated thereon have authority and capacity to contract and are bound as they appear to be; and (c) that the same comply with applicable laws concerning form, content and manner of preparation and execution.

At any time, without notice, and at the expense of the undersigned, Bank in its name or in the name of its nominee or of the undersigned may, but shall not be obligated to: (1) notify any person obligated on any security, instrument or other paper subject to this agreement of its rights hereunder; (2) collect by legal proceedings or otherwise all dividends, interest, principal payments and other sums now or hereafter payable upon or on account of said collateral; (3) enter into any extension, reorganization, deposit, merger, or consolidation agreement, or any agreement in anywise relating to or affecting the collateral, and in connection therewith may deposit or surrender control of such collateral thereunder, accept other property in exchange for such collateral and do and perform such acts and things as it may deem proper, and any money or property received in exchange for such collateral shall be applied to the indebtedness or thereafter held by it pursuant to the provisions hereof; (4) make any compromise or settlement it deems desirable or proper with reference to the collateral; (5) insure, process and preserve the collateral; (6) cause the collateral to be transferred to its name or to the name of its nominee; (7) exercise as to such collateral all the rights, powers and remedies of an owner; and (8) perform any obligation of the undersigned hereunder.

Bank may at its option retain in a non-interest bearing cash collateral account any money received by it and need not apply the same to indebtedness secured hereby unless and until such application will cause all indebtedness secured hereby to be paid in full.

Bank shall be under no duty or obligation whatsoever to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any obligations or evidences of indebtedness held by Bank as collateral, or in connection with any obligations or evidences of indebtedness which constitute in whole or in part the indebtedness secured hereunder.

Each of the undersigned waives any right to require Bank to (a) proceed against any person, (b) proceed against or exhaust any collateral, or (c) pursue any other remedy in Bank's power; and waives any defense arising by reason of any disability or other defense of any other of the undersigned or any other person, or by reason of the cessation from any cause whatsoever of the liability of any other of the undersigned or any other person. Until all indebtedness shall have been paid in full: None of the undersigned shall have any right of subrogation, and each of the undersigned waives any right to enforce any remedy which Bank now has or may hereafter have against any other of the undersigned or against any other person and waives any benefit of and any right to participate in any collateral or security whatsoever now or hereafter held by Bank. Each of the undersigned authorizes Bank, without notice or demand and without affecting his liability hereunder or on the indebtedness, from time to time to (a) renew, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of the indebtedness or any part thereof, including increase or decrease of the rate of interest thereon; (b) take and hold security, other than the collateral herein described, for the payment of the indebtedness or any part thereof, and exchange, enforce, waive and release the collateral herein described or any part thereof or any such other security; (c) apply such collateral or other security and direct the order or manner of sale thereof as Bank in its discretion may determine, and (d) release or substitute any other of the undersigned, or any of the endorsers or guarantors of the indebtedness or any part thereof, or any other parties thereto.

Bank may at any time deliver the collateral or any part thereof to any of the undersigned and the receipt of any of the undersigned shall be a complete and full acquittance for the collateral so delivered, and Bank shall thereafter be discharged from any liability or responsibility therefor.

(OVER)

1-29

BEST COPY AVAILABLE

E 182

Defendant's Exhibit F

The undersigned agrees to pay prior to delinquency all taxes, charges, liens and assessments against the collateral, and upon the failure of the undersigned to do so Bank at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same.

All advances, charges, costs and expenses, including reasonable attorneys' fees, incurred or paid by Bank in exercising any right, power or remedy conferred by this agreement, or in the enforcement thereof, shall become a part of the indebtedness secured hereunder and shall be paid to Bank by the undersigned immediately and without demand, with interest thereon at prevailing rate determined by the Bank.

The occurrence of any of the following shall be a default under this agreement: (a) failure to pay up any debt secured hereby when due: (b) failure to perform any other obligation secured hereby when the same should be performed; (c) breach of any warranty contained herein; (d) filing of a petition by or against the undersigned under the bankruptcy or like law, receivership, or assignment for the benefit of creditors; (e) attachment or like levy on any property of the undersigned; (f) the occurrence of an adverse change in the financial condition of the undersigned deemed material to Bank; (g) any financial statement made by the undersigned to Bank proves false: or (h) the collateral becomes, in the judgment of Bank, unsatisfactory in character or value; (i) the occurrence of any sale of all or a substantial part of the assets of the undersigned, other than in the ordinary course of business, or (j) the death, insolvency or cessation of business of the undersigned, or any surety or guarantor of any obligation of the undersigned to Bank.

Upon the happening of any default Bank may declare immediately due and payable all indebtedness secured hereby and shall have all rights and remedies provided by law. Any public sale may be held at any branch office of Bank.

Any married woman who signs this agreement hereby expressly agrees that recourse may be had against her separate property for all her indebtedness to Bank secured by the collateral under the terms of this agreement.

Upon the transfer of all or any part of the indebtedness Bank may transfer all or any part of the collateral and shall be fully discharged thereafter from all liability and responsibility with respect to such collateral so transferred, and the transferee shall be vested with all the rights and powers of Bank hereunder with respect to such collateral so transferred; but with respect to any collateral not so transferred Bank shall retain all rights and powers hereby given.

This is a continuing agreement and all the rights, powers and remedies hereunder shall apply to all past, present and future indebtedness of the undersigned to Bank, including that arising under successive transactions which shall either continue the indebtedness, increase or decrease it, or from time to time create new indebtedness after all or any prior indebtedness has been satisfied, and not withstanding the death, incapacity or bankruptcy of the undersigned or any other event or proceeding affecting the undersigned.

Until all indebtedness shall have been paid in full the power of sale and all other rights, powers and remedies granted to Bank hereunder shall continue to exist and may be exercised by Bank at any time and from time to time irrespective of the fact that the indebtedness or any part thereof may have become barred by any statute of limitations, or that the personal liability of the undersigned may have ceased.

The rights, powers and remedies given to Bank by this agreement shall be in addition to all rights, powers and remedies given to Bank by virtue of any statute or rule of law. Bank may exercise its banker's lien or right of setoff with respect to the indebtedness in the same manner as if the indebtedness were unsecured. Any forbearance or failure or delay by Bank in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof; and every right, power and remedy of Bank shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by Bank.

In all cases where but one party executes this agreement all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require; when this agreement is executed by more than one party all reference to the undersigned shall mean all or any one or more of them. The obligations and agreements of the undersigned hereunder are joint and several.

IN WITNESS WHEREOF, the undersigned have executed this agreement this 29th day of January, 1970

American IBC Corp

Sheldon Silverston

Sheldon Silverston, President

E 183

Defendant's Exhibit F

RESOLUTION AUTHORIZING BORROWING OF MONEY, ETC.

To: WELLS FARGO BANK INTERNATIONAL CORPORATION
New York, N. Y.

RESOLVED: That the * President or the *_____

~~cashier~~ *_____ or the * Secretary

of this corporation (The Vice Chairman is authorized to sign applications for Letters of Credit and applications for amendments to Letters of Credit).

be and they are hereby authorized and empowered for and on behalf of and in the name of this corporation and as its corporate act and deed (1) to borrow money from Wells Fargo Bank International Corporation (hereinafter called the Bank) on such terms as shall be agreed upon by them, and to sign and deliver such promissory notes and other evidences of indebtedness for money borrowed or advanced as the Bank shall require; (2) to contract for the issuance by the Bank of Letters of Credit, to discount with the Bank notes, acceptances and evidences of indebtedness payable to or due this corporation and to endorse the same and execute such guarantees and agreements for repayment thereof to the Bank as the Bank shall require; (3) to mortgage, encumber, pledge, convey, grant, assign, transfer and deliver by such instruments in writing or otherwise as may be required by the Bank, any of the property of this corporation to secure the payment of said notes, guarantees, agreements, and other evidences of indebtedness; and (4) to perform all acts and execute and deliver all instruments and agreements in writing which the Bank may deem necessary to carry out the purposes of this resolution; provided that the aggregate amount of all sums so borrowed and credits so established shall not at any time exceed the sum of $Unlimited outstanding and unpaid. Loans made pursuant to a special resolution and loans made by offices other than the office to which this resolution is delivered shall be in addition to the foregoing limitation. The authority hereby conferred shall be deemed retroactive and any and all acts authorized herein performed prior to the passage of this resolution are hereby approved and ratified; this resolution shall continue in full force and effect until the Bank shall receive official notice in writing from this corporation of the revocation hereof by a resolution duly adopted by the Board of Directors of this corporation. The authority hereby conferred is in addition to that conferred by any other resolution heretofore or hereafter delivered to Bank.

I Herbert H. Walker Secretary of

AMERICAN IBC CORP a corporation,

created and existing under the laws of the State of Delaware, do hereby certify and declare that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Board of Directors of said corporation at a meeting of said Board duly and regularly called, noticed and held, at the office of said corporation, on the 29th day of January, 1970, at which meeting a quorum of the Board of Directors was present and voted in favor of said resolution; and that said resolution is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the corporate seal of said

29th day of January, 1970.

(Corporate Seal)

Herbert H. Walker, Secretary of

AMERICAN IBC CORP, a Corporation

E 184

DEFENDANT'S EXHIBIT G

OWNY326 201407 WLX396

NYK

.LUX

LUX 5 NYK 20 APR 73 15:06/PW

WELLS FARGO BANK
INTERNATIONAL
1973 APR 20 AM 9:06
NEW YORK
CABLE DEPARTMENT

WFBI N Y

Ex.
G

ATTN: LOBONOV

RE : SWISS FRANCS TIME DEPOSIT

1. TUESDAY YOUR OPENING POZNIAK WILL SEND YOU SF QUOTES LUX PAYS TO ACCEPT DEPOSIT.

2. I ASSUME THAT THIS SWISS FRANC DEPOSIT PLACED WITH LUX WILL SERVE AS COLLATERAL FOR A DLRS 1 MIO LOAN MADE BY YOURSELVES TO YOUR NEW YORK CUSTOMER. IN OTHER WORDS WE SHOULD NOT GET INVOLVED IN DOING A SWAP SF / DLRS AND PROVIDE THE DLRS 1 MIO

PLEASE CONFIRM

REGARDS,

J. DE LA CHAUVINIERE

WELLS LUXEMBOURG

FROM: WELLS FARGO BANK
LUXEMBOURG
4/20/73

E 185

DEFENDANT'S EXHIBIT H



WELLS FARGO BANK
INTERNATIONAL
40 Wall Street • New York, N.Y. 10005

WILLIAM F. BOLAND
Vice President

May 2, 1973

Mr. Sheldon Silverston
President
American I.B.C. Corp.
770 Lexington Avenue
New York, N.Y. 10021

Copies

Dear Mr. Silverston :

Confirming our telephone conversation of April 30, 1973 we agree to lend you $1,000,000 on May 3rd, 1973, at 8% p.a. on a 360-day basis.

The proceeds of our advance will be transferred to Chase Manhattan Bank, for credit of Swiss Credit Bank, Zurich, for account of American I.B.C. Corp. In return, Swiss Credit Bank, Zurich, will deliver on May 3rd, 1973, Sw.Fr.3,240,000 to Swiss Bank Corp., Zurich, in favour of Wells Fargo Bank, Luxembourg, in order to establish a time deposit to mature November 2nd, 1973, bearing interest at 4½% p.a.

You have agreed to lodge with us as collateral the Swiss Franc time deposit as outlined in your letter dated April 30, 1973. We are enclosing our usual 'Advance Agreement' along with our time note for your execution.

As requested in your letter of April 30th, we have requested Wells Fargo Bank, Luxembourg, to repay through Swiss Bank Corp., Zurich, delivering the dollar equivalent to WFBI, New York, on November 2nd 1973, proceeds of which are to be utilized as follows :

- $1,000,000 - reimbursement to WFBI of principal amount.
- $ 40,444.44 - payment to WFBI for 182 days interest.
- $ 2,369.93 - credit to your account with WFBI.

We wish to quote to your our telex sent to Wells Fargo Bank, Luxembourg, on May 1, 1973.

./...

E 186

Defendant's Exhibit H

WELLS FARGO BANK INTERNATIONAL

Mr. S. Silverston, N.Y. (cont.) 5/2/73

quote

WELLS FARGO BANK, LUXEMBOURG

RE OUR TELEPHONE CONVERSATION 4/30/73 WE CONFIRM SWISS FRANCS TIME DEPOSIT 3,240,000 VALUE 5/3/73 PERIOD 182 DAYS MATURING NOVEMBER 2, 1973 RATE 4 1/8 (*) PERCENT P.A.
SWISS FRANCS WILL BE CREDITED YOUR ACCOUNT AT SWISS BANK CORP. ZURICH BY ORDER SWISS CREDIT BANK ZURICH BY ORDER AMERICAN I.B.C. 770 LEXINGTON AVE., N.Y. AT MATURITY PAY PRINCIPAL PLUS INTEREST TO SWISS CREDIT BANK ZURICH, ATTENTION MR. RIBI SWISS FRANCS 3,308,850 CREDIT DOLLAR EQUIVALENT 1,042,814.37 TO WFBI FOR ACCOUNT AMERICAN I.B.C. ATTENTION BOLAND.

unquote

(*) Increased rate to 4⅛% re telephone conversation on 4/30/73.

Kindly execute the enclosed documents and return same to us. If you agree with the above details please confirm by signing the enclosed copy of this letter and return to us.

With best regards.

Yours truly,

Encl.
WFB:mg

cc: Mr. Tomasec, Cash.

E 187

DEFENDANT'S EXHIBIT I

[redacted] BUSINESS INFORMATION REPORT

RATING CHANGE | SPECIAL NOTICE

SIC	D-U-N-S	© DUN & BRADSTREET, INC.	STARTED	RATING
61 59	05-155-5282	SN 1 DEC 10 1973		
	AMERICAN I B C CORP	GENERAL LOAN		NQ
		INSTITUTION		Formerly --

770 LEXINGTON AVE
NEW YORK NY 10021
TEL 212 486-1212

ASSIGNMENT FOR BENEFIT OF CREDITORS

Records show that on Dec 10 1973 American I. B. C. Corp., 770 Lexington Ave., New York, N.Y. assigned to William P. Volen, 110 E 42nd St., New York, N.Y.

The assignment was made on behalf of the subject by Sheldon Silverton, President and was filed in the Supreme Court, New York County, Pearl and Centre Sts., New York, N.Y. Index #20914-73.

Attorney for the assignee is Fred I. Zabriskie, 481 Main St. New Rochelle, N.Y.

12-10 (534 119) OFF

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E 188

DEFENDANT'S EXHIBIT J

DUN & BRADSTREET, INC.

BUSINESS INFORMATION REPORT

BASE REPORT checking

SIC	DUNS	© DUN & BRADSTREET, INC.	STARTED	RATING
61 59	05-155-5282 AMERICAN I. B. C. CORP	CD 1 OCT 3 1973 GENERAL LOAN INSTITUTION	1969	—

Ex. J

H

770 LEXINGTON AVE
NEW YORK NY 10021
TEL 212 486-1212

SHELDON SILVERSTON, PRES
RICHARD JUG, V PRES
HERBERT H. WALKER, SEC & TREAS
DIRECTORS: The Officers

SUMMARY

PAYMENTS	UNDETERMINED
SALES	$40,000
EMPLOYS	30
RECORD	CLEAR
FINANCING	SEC-UNSEC

PAYMENTS — Due to the nature of operations, the subject is not a seeker of general commercial credit. Majority of expenses are for salaries, normal operating accruals, which are met on a cash or close to cash basis.

FINANCE — On October 3 1973 interviewed employee who declined all financial information.

On October 3 1973 contacted Sheldon Silverston President, who declined financial statement. He did report sales for the first six months of the year was in excess of $18,000,000. Annual sales estimated by reporter at $40,000,000.

BANKING — Principal stated subject has extensive banking facilities with at least 15 banks in the United States, Columbia Switzerland, Austria and Lebanon. Loans are granted on a secured and unsecured basis.

HISTORY — Incorporated Delaware May 1969. Entity confirmed.

Silverston stated that starting capital was in low seven figure proportions derived from subordinated loans.

SILVERSTON born 1928 and married. 1949 graduated University of Miami 1950-1952 U. S. Military Intelligence Staff Far East, 1953-1960 Economic Consultant on own account in Panama and Hong Kong. 1961-1964 economic consultant on own account in New York City. 1964 until formation of the subject Vice President in charge of barter operations with Titan Industries Corp. New York City.

Victor Romano former Vice President, resigned during early 1973.

Gonzalo Ospina former Vice President resigned in early 1973.

Luis Lara former Vice President resigned in early 1973.

JUG born 1927 and married. 1949-May 1969 was President of Intertrade a Yugoslavian Bank.

WALKER born 1938 and married. B. A. and LL. B. St. Johns University Brooklyn, New York. Admitted to the New York State Bar in 1963. Joined the subject May 1969 at its inception. Presently also maintains law practice under his own name at 32 Broadway New York, New York.

Glucksman former Assistant Secretary left the subject in 1972.

AFFILIATES

The following are subsidiaries of the subject through majority stock interests.

I. B. C. Colombia Ltd., Columbia South America, 67% owned by the subject. Engaged in soft currency clearning transactions in Columbia South America.

(CONTINUED)

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E 189

Defendant's Exhibit J

HISTORY (Cont'd)

Inversions IBC Columbia South America, 84% owned by the subject. A lending institution in Columbia South America.

Constructors IBC Columbia South America, 46% owned by the subject. Engaged in construction and land development in Columbia.

Euro Sales Brussels, Belgium, 55% owned by the subject during 1972. Active as a sales organization. Sold interest in the subject during 1972.

Lunghin Berutt Lebanon, 60% owned by the subject. Active in the soft currency clearning and loan transactions.

Firesa IBC Guayaquil Ecuador, 67% owned by the subject. Active in the soft currency cleaning and loan transactions.

American IBC Peru Lima Peru. 100% owned by the subject. Active in finance and soft currency cleaninrg transactions.

Banco Nacional Bogato Columbia 77% owned by the subject. Active throughout Columbia.

OPERATION

Subject operates primarily as a general loan institution, using the bilateral laws in soft currency countries. Also converts soft currency into hard. Domestic operations include investment in producing oil and gas (holds oil royalties and investment in the stock market). Employs 30. LOCATION: At the caption address rents 300 square feet on the third floor of multi-story midtown Manhattan office building in good condition. Housekeeping is good.

Also maintains branches in Lima Peru Guayaquil Ecuador Bogoto Columbia.

10-11 (207 081 T93 CR67-12 +47

E 190

DEFENDANT'S EXHIBIT K

BUSINESS INFORMATION REPORT

SPECIAL NOTICE

© DUN & BRADSTREET, INC.

SIC	D-U-N-S		STARTED	RATING
61 59	05-155-5282	SN I AUG 23 1973		
	AMERICAN I B C CORP	GENL LOAN INSTITUTION		--

770 LEXINGTON AVE
NEW YORK N Y 10021
TEL 212 486-1212

In a communication received by this office July 30 1973 Victor Romano, Executive Vice President of subject stated he is no longer associated with American I. B. C. Corp.
8-23 (184 119)

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keting and other business decisions and for no other purpose. These prohibitions are for your own protection—your attorney will confirm the soundness of this warning. Apprise DU
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loss or injury caused by the neglect or other act or failure to act on the part of said company and/or its agents in procuring, collecting or communicating any information

E 191

DEFENDANT'S EXHIBIT L

Dun & Bradstreet, Inc.

BUSINESS INFORMATION REPORT

INTERNATIONAL CORPORATION

SUPPLEMENT

SIC	D-U-N-S		STARTED	RATING
61 59	05-155-5282	AD 1 MAR 27 1973		
	AMERICAN I. B. C. CORP	GENERAL LOAN INSTITUTION.		
H	770 LEXINGTON AVE NEW YORK N Y 10021 TEL 212 486-1212			

File

PAYMENTS Due to nature of operations subject does not purchase merchandise for resale. Majority of expenses are for salaries and operating accruals.

CHANGES On March 27 1973 Mrs Shannon, office manager said the following changes have taken place: Gonzalo Ospina is no longer Vice President of subject and Luis Lara is no longer Vice President.

CONDITION On March 27 1973 Mrs. Shannon, declined financial information.

BANKING Principal stated subject has extensive banking relations with at least 15 banks in the United States, Columbia, Switzerland, Austria and Lebanon. Loans are granted on a secured and unsecured basis.
3-28 (184 50) T 93 CR67-12

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E 192

DEFENDANT'S EXHIBIT M

DUN & BRADSTREET REPORT

SIC	D-U-N-S	© DUN & BRADSTREET, INC.	RATING
61 59	05-155-5282 AMERICAN I. B. C. CORP	SN I APR 28 1971 GENERAL LOAN INSTITUTION	--

770 LEXINGTON AVE
FMLY: 440 PARK AVE
NEW YORK N Y 10022
TEL 212 486-1212

PUBLIC RECORD INFORMATION

ITEM:	SUIT-WORK, LABOR, SERVICES & M'TL. FURN.
AMOUNT:	$2,030
DATE FILED:	NI
DEFENDANT: (Against)	AMERICAN I. B. C. CORP
PLAINTIFF: (Instituted by)	P F C WOODWORKING CO
FURTHER DETAILS:	NI

4-28 (05)

When NI appears following any caption it denotes that information received did not include such details.

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E 193

DEFENDANT'S EXHIBIT N

RCA1116/056

233505 WFEI LR

58412T SKAL CH SWISS CREDIT BANK ZUERICH DEC 5TH 73 VG

WELLS FARGO BANK INT NEW YORK U R G E N T

1973 DEC -5 AM 8:25
WELLS FARGO BANK INTERNATIONAL
NEW YORK
CABLE DEPARTMENT

OUR REF FE/FC/ HEI

WE REMITTED TO YOU THROUGH CHASE MANHATTAN BANK NEW YORK ON NOVEMBER 16TH DOLLARS 1.046.894.05 VALUE NOV 19TH IN FAVOUR OF AMERICAN IBC CORP NEW YORK STOP THESE FUNDS WERE SENT TO YOU BY ERROR AS THIS AMOUNT WAS ASSIGNED TO US BY AMERICAN IBC Ø CORP WE REQUEST YOU THEREFORE TO PLEASE RETURN TO US THE SUM OF US-DOLLARS 1.046.894.05 KINDLY TELEX REPLY ATTENTION DEPT FE MR A VOLLENWEIDER

FROM: SWISS CREDIT BANK
ZURICH, SWITZERLAND
12/5/73

TEST VERIFIED
1,046,894.-

BEST COPY AVAILABLE

E 194

DEFENDANT'S EXHIBIT O

M

12/07/73 0643 EST

422964 WFBI UI

58412N SKAL CH FM SWISS CREDIT BANK ZURICH 7TH DEC 73

WELLS FARBO BANK INTERNATIONAL NEW YORK

OURS DECEMBER 5 NO REPLY RECEIVED PLEASE CONTACT AMERICAN IBC COPRORATION IMMEDIATELY AND REQUEST REFUND OF THE DLS 1.045.894.05 ERRORNEOUSLY TRANSFERRED TO YOU FAVOR AMERICAN IBC AND WHICH DO NOT BELONG TO AMERICAN IBC THANKS YOUR IMMEDIATE ATTENTION SWISS CREDIT BANK ZURICH DEPT FE R VOLLENWEIDER

CREDIT

12/6/73 [illegible]
282

FROM: SWISS CREDIT BANK
ZURICH, SWITZERLAND
12/7/73

422964 WFBI UI

FILE Copy R

E 195

DEFENDANT'S EXHIBIT P

PLEASE CHECK CLASS OF SERVICE

FULL RATE		NIGHT LETTER		TELEX		X	CHEAPEST	

WELLS FARGO BANK INTERNATIONAL
TELEGRAM OR CABLEGRAM

No. 1-1

12/7/73
DATE

mg
WRITER

SEND TO: SWISS CREDIT BANK, ZURICH, SWITZERLAND

ATT: MR.A. VOLLENWEIDER

W.F. Boland
ORIGINATOR

W.F. Boland
AUTHORIZED

DEPARTMENT

AUTHORIZED

TEST	FIGURED	CHECKED	TEST REQUIRED		MESSAGE		ROUTE	CLASS	CHARGES	
			YES	NO	PROCESSED	CHECKED				
				✓						

PLEASE DOUBLE SPACE MESSAGE

START HERE

RE YOURS OF 12/5/73

DOLLARS 1,046,894.05 UNABLE TO REPLY WITH YOUR URGENT REQUEST

AS FUNDS UTILIZED TO LIQUIDATE OUR ADVANCE TO AMERICAN IBC

REFER TO AMERICAN IBC CABLE 5/15/73 ATTENTION MR. RIBI AND

FOREIGN EXCHANGE CONTRACTS 15/5/73 DE/JA 2517 - 15/5/73

JA 2517

REGARDS.

BOLAND

WELLS FARGO BANK INTERNATIONAL
1973 DEC -7 PM 12:45
NEW YORK CABLE DEPARTMENT

DEBIT		INDICATE COMPLETE NAME, ADDRESS AND OUR AND THEIR REFERENCES
BILL		
ABSORB		

7-06 20M 7-73

E 196

DEFENDANT'S EXHIBIT Q

12/11/73 0333 ESTC

422964 WFBI UI

58412N SKAL CH FROM SWISS CREDIT BANK ZUERICH DEC 11TH 73 VG

WELLS FRX FARGO BANK INTERNATIONAL NEW YORK

ATTENTION: MR W F BOLAND, VICE PRESIDENT

OUR REF: FE/VD/EE

THANKS YOURS DECEMBER 7 RE AMERICAN I B C CORPORATION WE HAVE ALREADY DISPATCHED YESTERDAY A LETTER TO YOU INFORMING YOU THAT THE INSTRUCTIONS OF AMERICAN I B C AT THE CONCLUSION OF THE FOREIGN EXCHANGE CONTRACT IN MAY TO REMIT THE FUNDS TO YOU ON NOVEMBER 19 WERE MERELY FOR OUR GUIDANCE AND NOT IRREVOCABL STOP AT A LATER DATE AMERICAN I B C INSTRUCTED US TO UTILIZE THE DOLLARS 1.046.894.05 IN COVER OF ADVANCES TO BE MADE BY US TO THEM AND UNFORTUNATELY, INSTEAD OF UTILIZING THE ABOVE DOLLARS TO LIQUIDATE OUR ADVANCE OF ABOUT DOLLARS 1.000.000.-- WE REMITTED THEM BY ERROR TO YOU. YOU WILL APPRECIATE THAT THE FUNDS BELONG TO US AND WE ASK YOU TO PLEASE RETURN THEM WITHOUT DELAY.

MANY THANKS

SCHWEIZERISCHE KREDITANSTALT/VOLLENWEIDER

FROM: SWISS CREDIT BANK
ZURICH, SWITZERLAND
12/11/73

1973 DEC 11 AM 8:31
WELLS FARGO BANK
INTERNATIONAL
NEW YORK
CABLE DEPARTMENT

E 197

DEFENDANT'S EXHIBIT R

WELLS FARGO BANK INTERNATIONAL
TELEGRAM OR CABLEGRAM

No.

L RATE		NIGHT LETTER		TELEX	X	CHEAPEST	

12/11/73 DATE

MG WRITTEN

C.E. Lilien ORIGINATOR

APPROVED C.E. Lilien

DEPARTMENT

AUTHORIZED

ROUTE | CLASS | CHARGES

END TO

SWISS CREDIT BANK, ZURICH

ATT: MR. VOLLENWEEDER

TEST	FIGURED	CHECKED	TEST REQUIRED YES	TEST REQUIRED NO	MESSAGE PROCESSED	MESSAGE CHECKED

PLEASE DOUBLE SPACE MESSAGE

START HERE

YOUR TELEX DECEMBER 11 REF. FE/VO/EE

SUBJECT : AMERICAN IBC CORPORATION ~~XXXX~~ U.S.$ 1,046,894.05

I REGRET THAT I MUST INFORM YOU THESE FUNDS WERE PLEDGED TO OUR BANK TO SECURE A LOAN AND UPON THEIR RECEIPT WERE APPLIED TO THE REPAYMENT OF THAT LOAN. WE ARE OF COURSE SHOCKED TO HEAR FROM YOU THAT THESE SAME FUNDS WERE PLEDGED TO YOU AND THAT YOU FEEL THEY WERE TRANSMITTED TO US IN ERROR. AS OBVIOUSLY FROM OUR POINT OF VIEW AND BASED ON LOAN DOCUMENTS AND PLEDGE AGREEMENT IN OUR FILES THE RECEIPT OF THESE FUNDS CONSTITUTED THE FINAL PHASE OF THE ORDERLY LIQUIDATION OF A SECURED TRANSACTION. YOU WILL UNDERSTAND THAT WE CANNOT RETURN THESE FUNDS. YOUR CLAIM SHOULD BE MADE AGAINST AMERICAN IBC CORPORATION. I APPRECIATE THE UNCOMFORTABLE POSITION IN WHICH YOUR BANK FINDS ITSELF AND SINCERELY WISH THAT I WERE IN A POSITION TO HELP SOLVE YOUR PROBLEM, BUT UNFORTUNATELY THE FACTS SPEAK FOR THEMSELVES. REGRETFULLY.

LILIEN

DEBIT		INDICATE COMPLETE NAME, ADDRESS AND OUR AND THEIR REFERENCES
BILL		
ABSORB		

20M 7-73

WELLS FARGO BANK INTERNATIONAL E 198

DEFENDANT'S EXHIBIT S

AMERICAN IBC CORP.

1. On December 5 the New York Representative of Swiss Credit Bank spoke to Frichou about a supposed double payment to American IBC, Subsequently, the same day, we received their telex of 12/5/73. Fichou replied to the New York Rep. by phone.

2. On December 7, we received SCB's telex of 12/7 noting no reply to theirs of 12/5 and Boland sent our reply of 12/7. Boland spoke to Silverston on that day.

3. On 12/11 we received SCB's telex of 12/11. CEL spoke to Silverstone. Also called Bosshard and invited him to discuss this matter, but he declined saying they had spoken to the lawyers and he did not wish to get involved with proper instructions. CEL sent telex in reply on 12/11.

****

12/11

American IBC entered exchange contracts maturing July, August. Lost money on them and could not meet contract obligations to Swiss Credit Bank and National Bank of North America. That is why SCB now has claims of about $990,000 on American IBC.

At same time, because of fiasco in Colombia, lost lots of assets there.

With blows of (1) exchange losses and (2) Colombian losses, American IBC became insolvent. Now entering Creditor Agreement.

In addition, American IBC loaned funds to United Brands in U.S. against UB loan to Colombian entity (more or less guaranteed by American IBC). Colombians the same who swindled American IBC no pay. American IBC had hoped UB and American IBC together would sue Colombians. Instead UB sued American IBC on both Colombian guarantee and on basis failure comply with dollar loan agreement between American IBC and UB. Got attachment on accounts in NYC and thus stopped American IBC from doing business.

The court appointer assignee is Mr. William Volin. 687-4890.

****

12/12

Hans Uhler, Swiss Credit Bank, regarding my telex to Vollenweider, told him our story, They say on June 19 (?) sent them a letter making various deposits collateral for their extension of credit. UCB London confirmed to them that they had irrevocable instructions to pay the deposit to SCB.

Received SCB letter with copy telex attached. Fifugres and date match ours. Called SS reviewed details with him and noted it looked like he pledged same money twice.

C.E. Lilien

E 199

Defendant's Exhibit S

12/4/79 Chris Silverton 421-3510

American IBC entered exchange contracts maturing Sept., August. Lent money on them and could not meet actual obligations to Swiss Credit Bank and National-Bank of North America. That is why SCB now has claim of about $990,000 on American IBC.

At same time, became officers in Colombia, Inc. Fla and sold them.

With two loans of (1) banking loans and (2) Colombia loans, American IBC became insolvent. Now entering Creditors Agreement.

BEST COPY AVAILABLE

E 200

Defendant's Exhibit S

In addition, Amerim IBC loaned funds to Child Brands in U.S. against UB loan to Colombian entity (more or less financing Amer. IBC). Obviously the scene was muddled Amer. IBC. nobody. Amer. IBC had hoped UB and Amer. IBC together would use Colombian. Instead UB sued Amer. IBC on their Colombian JV and on their failure comply with loan against failure Amer. IBC and U.S. Gov't attachment on accounts in NYC and thus stopped Amer. IBC from doing business.

The court affidavit assigned to Mr. William Valois.
687-14890.

E 201

Defendant's Exhibit S

12/12/73 Hans Uhler, Swiss Credit Bank

Re my telex to Vollenweider

Told him our story

They say on June 19(?) SS sent them

a letter making various deposits collateral

for their extension credit - UCB

London confirmed to them that they

had irrevocable instructions to pay the

deposit to SCB,

CFC

12/12/73 Rec'd SCB telex with my telex attached -
Typos and like mistakes over.
Called SS phoned Uhler with his and asked
if looked like he pledged same money three

E 202

Defendant's Exhibit S

1/4

American IBC - for Rafael Cano

Bco de la Republica has ~300.000 P/H -
on Amer IBC due 14/15/73 not
paid - Protested by Wobb + Fitch
(Jerry Wolfe) at behest of lawyers
in Bogota -

Tried to call him in London but
unable reach and no call back.

We passed this info to Rene

Explained our position and ends -

Told him we could not help him because
impossible position & unethical -

E 203

Defendant's Exhibit S

(Conformed Copy)

12/11/73 Sheldon Silverston 421-8510

American IBC entered exchange contracts maturing July, August. Lost money to them and could not meet contract obligation to Swiss Credit Bank and National Bank of North America. That is why SCB now has claims of about $990,000 on American IBC.

At same time, because of fiasco in Colombia, lost lots of assets there.

With two blows of (1) exchange losses and (2) Colombian losses, American IBC became insolvent. Now entering Creditors Agreement.

In addition, American IBC loaned funds to United Brands in U.S., against UB loan to Colombian entity (more or less gteed by Amer. IBC). Colomians the same who swindled Amer. IBC. no pay. Amer. IBC had hoped UB and Amer. IBC together would sue Colombians. Instead UB sued Amer. IBC on both Colombian gtee and on basis failure comply with loan agreement between Amer. IBC and U.B. Got attachment on accounts in NYC and thus stopped Amer. IBC from doing business. The court appointed assignee is Mr. William Volin. 687-4890.

12/12/73 Hans Uhler Swiss Credit Bank

Re my telex to Vollenweider

Told him our story

They say on June 19 (?) SS sent them a letter making various deposits collateral for their extension of (illegible). UCB Lond confirmed to them that they had irrevocable instruments to pay the deposit of SCB.

CFC

E 204

Defendant's Exhibit S

12/12/73

Recd SCB letter with copy telex attached.

Figures and tele mailed over.

Called SS reviewed details with him and noted it looked like he pledged same money twice.

1/74 American IBC - for Rafael Gama

Bco de la Republica has 300,000 P/M on Amer. IBC due 12/30/73 not paid. Protested by Walsh & Fritch (Jerry Walsh) at behest of lawyers in Bogota.

Tried to call him in London. but unable reach and no call back.

We passed this info to (illegible)

Explained our position and events--

Told him we could not help him because of possible opposition of interest--

E 205

DEFENDANT'S EXHIBIT T

WELLS FARGO BANK INTERNATIONAL

40 WALL STREET • NEW YORK, N.Y. 10005

Loan Servicing

MEMORANDUM:

DATE: DECEMBER 11, 1973

TO: ALL OFFICERS & SECTION HEADS

COPIES TO:

FROM: C.E. LILIEN
EXECUTIVE VICE PRESIDENT

SUBJECT: AMERICAN IBC CORPORATION
770 LEXINGTON AVENUE, N.Y.

(SHELDON SILVERSTON FORMER PRESIDENT)

THIS FIRM IS IN SERIOUS FINANCIAL DIFFICULTY.

REFER NO BUSINESS TO THEM OR TO SILVERSTON.

EXTEND NO CREDIT.

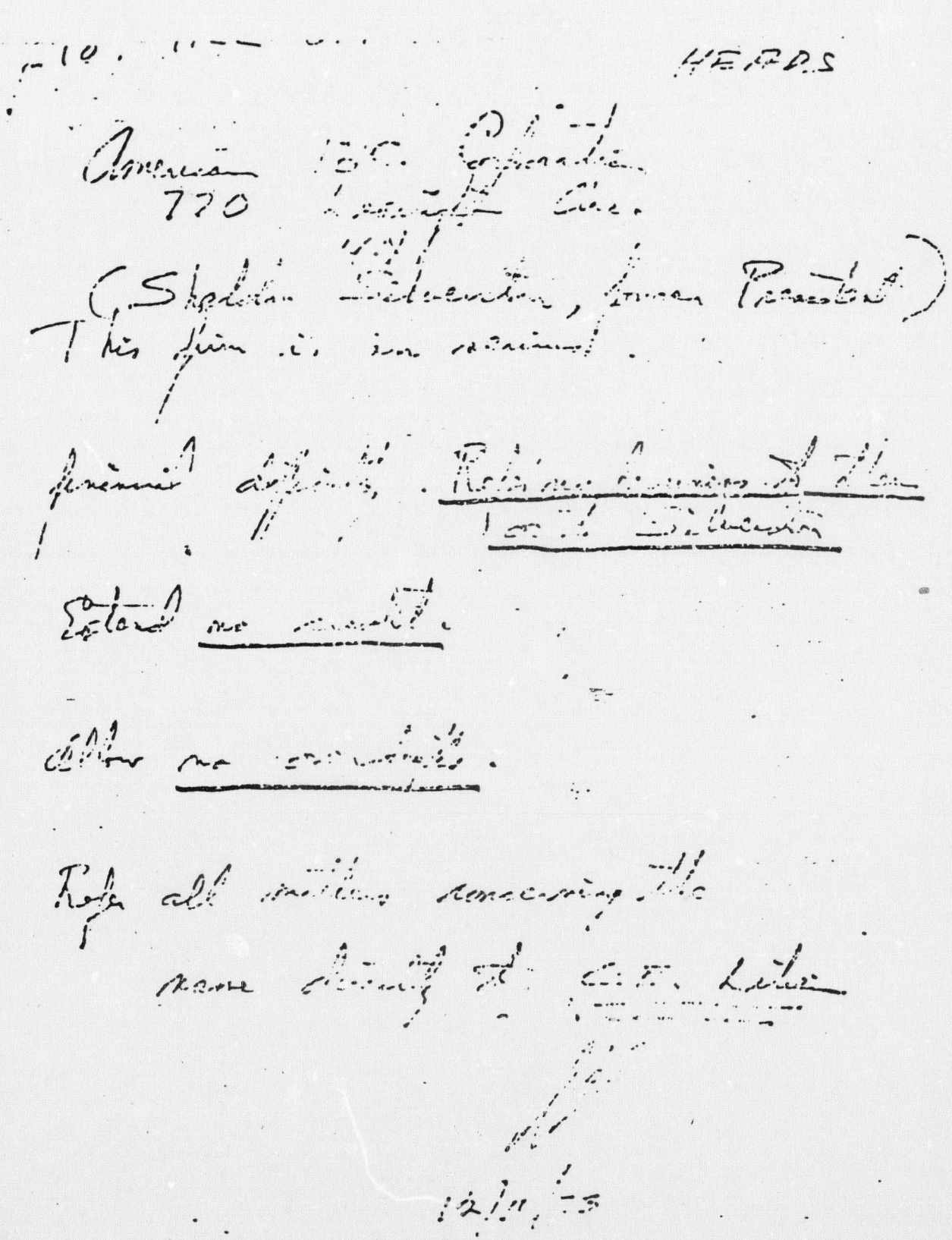
ALLOW NO OVERDRAFTS.

REFER ALL MATTERS CONCERNING THE NAME DIRECTLY TO C.E. LILIEN

E 206

Defendant's Exhibit T

HEADS



BEST COPY AVAILABLE

E 207

DEFENDANT'S EXHIBIT U

CREDIT SUISSE — SWISS CREDIT BANK

Fc/vo/cc

ZURICH December 10, 1973

Ex. U

DEC 12 1973

Registered
Special Delivery

Wells Fargo Bank International
40 Wall Street, 26th Floor
New York, N.Y. 10005

Attention: Mr. William F. Boland,
Vice President

Re: American IBC Corporation, New York

Gentlemen,

Thank you for your telex of December 7.

At the time of the conclusion on May 15, 1973, of the foreign exchange contract, we were instructed by American IBC Corporation to remit the amount of $ 1,046,894.05 on November 19, 1973, to your good bank. However, such instructions were given merely for our guidance and were not irrevocable.

With their tested telex of August 29, 1973, of which please find photostat enclosed, American IBC Corporation requested us to utilize on November 19 the amount of $ 1,046,894.05 in cover of advances we were asked to make to American IBC Corporation. Unfortunately, due to a most regrettable oversight, for which please excuse us, the funds were remitted by our foreign exchange department to you instead of being credited to the advance account in our books of the American IBC Corporation, which shows now a debit balance of almost $ 1,000,000.-.

You will appreciate that the funds unquestionably belong to us and we request you to repay them to us without any delay.

Your kind attention will be greatly appreciated.

We remain,

Sincerely yours,

SWISS CREDIT BANK

ppa Christian by Tellenmann

E 208

Defendant's Exhibit U

rhallen von

52363a skal ch

rca 02350 1044

233781 ibc ur

aug 29, 1973

credit

- - -

at[illegible] alfred vollenweider

test key number 692

msg no 841

reference your todays msg sal 692 using above test key for today (29 aug).

1) please transfer the 75000 dollars accordance our yesterdays message number 828 in which incorrect test was used.

2) ucb nov 19 paying you 3,182,557.83 swiss francs representing. 3,[illegible]0,000 principal and 52,557.83 interest.

3) this sum of 3,182,557.83 sf sold you value 19 nov 1973 per our conversation with mr ribi and second telex of may 15 to mr ribi attn : at rate of 3.04 meaning for dlrs 1,046,824.05.

4) kindly utilize these dollars to repay all dollar advances (and interest thereon) made to american ibc corp.

regards

sheldon silverston, president

american ibc corp NY&K

52363a skal ch

233781 ibc ur

E 209

DEFENDANT'S EXHIBIT V

WELLS FARGO BANK
INTERNATIONAL
40 WALL STREET - NEW YORK, N.Y. 10005

MEMORANDUM FOR FILE:

DATE

7/28/73

SUBJECT: AMERICAN IBC CORPORATION, NEW YORK

While in Bogota, I learned from Gustavo Arango that there had been a problem between American IBC, Banco de la REpublica, the Bulgarian Foreign Trade Bank, and Swiss Credit Corp., resulting from the following :

A Bulgarian account swap was set up by American IBC with Banco de la Republica as the beneficiary of a letter of credit from Swiss Bank Corp. to be available against Banco de la Republica certification that it had credited an account designated by American IBC with $700,000 and Bulgarian certification that they had credited the clearing account dollars to somebody else. The Bulgarians never made the certification, The Banco de la Republica was not promptly informed of the Bulgarian failure, the expiry date of the Swiss letter of credit went past and the letter of credit was not extended. Result, the Banco de la Republica is out $700,000 and has severed relations with the Swiss bank. It also feels that American IBC cannot be dealt with in confidence and has severed relations with them. American IBC was not able to reimburse the Banco de la Republica for its loss and has asked that Banco de la Republica give it a couple of years to pay back the $700,000.

ACTION :

1. Gustavo Arango : Please review this case with Banco de la Republica and amend this report so that we are sure we have all the facts exactly correct.

2. Bill Boland : Please ask Sheldon Silverston of American IBC for all the facts in this case, as seen by him.

3. C.E. Lilien : Review the above reports and determine what our position toward American IBC should be.

4. Meanwhile, until this is clarified, we should avoid handling any new transactions with American IBC.

Charles E. Lilien
Executive Vice President

cc.: Messrs. Cartier/Rodriguez-Pastor
Bogota Rep. Office
Van Veerssen/Ferreiro/Martin
Boland/Hawkins

CEL:mg

E 210

DEFENDANT'S EXHIBIT W

1) Dolores file
2) File

WELLS FARGO BANK

NATIONAL ASSOCIATION

1852

MEMO TO: Charles E. Lilien
WFBI, New York

DATE: September 4, 1973

COPIES TO:

FROM: Gustavo Arango Bernal
Representative
Bogotá, Colombia

SUBJECT: American I[illegible]C., New York

Only a short memo to inform that subject settled the whole matter they have with Banco de la República and paid the outstanding letter of credit. It seems that the settlement was highly pressed by the Bulgarian Central Bank.

Best regards.

DEFENDANT'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

MAY 21 1975

SEP 11 1973

L 211

DEFENDANT'S EXHIBIT X

American IBC Corp.

770 LEXINGTON AVENUE, NEW YORK, N. Y. 10021

SHELDON SILVERSTON
PRESIDENT

TELEPHONE (212) 486-1212

September 6, 1973

Mr. William F. Boland
Wells Fargo Bank International
40 Wall Street
New York, N.Y. 10005

Dear Bill:

Per our conversation of this morning attached is copy of:

1) Letter from National Bank of North America.

2) Letter from Intercommerce, Sofia.

This refers to a settlement of a dispute between Banco de la Republica and ourselves.

Regards.

Sincerely yours,

Sheldon Silverston

SS/la
Encs.

Ex. X

SEP 7 1373

E 212

Defendant's Exhibit X

Rec'd 7/9/73

INTERCOMMERCE

FOREIGN TRADE ENTERPRISE

Bulgarian Foreigntrade Bank
Account: 210072-6

Sofia, 11th July, 1973
21, Aksakov Street

053/KL/TN - 2445

MESSRS.
AMERICAN IBC CORP.
770, Lexington Avenue,
NEW YORK, N.Y.10021
U S A

Attention Mr. Sheldon Silverston - President

Dear Sirs,

Re: Financial "Aller" Colombia
650,000 Cl.S of September, 1972.

At the request of Banco de la Republica, Bogota, we are quoting herewith the text of the telex we received from them:

"Re Financial Aller clearing Dollars 650,000 (Colombia) we have settled dispute with American IBC Corp. of New York and we hereby withdraw our cancellation to you of the transfer of 650,000.00 Clearing Dollars and therefore the original transfer to you shall remain in full force and effect. Having resolved this matter we therefore withdraw entirely all claims which may have made upon you and American IBC Corp. arising out of this transaction and request that a copy of this tested telex be delivered to American IBC Corp. for their records. Regards.
Antonio Jose Gutierrez Redesbanco".

It is quite clear from the above-quoted telex that all disputes have been settled, so we may consider the matter concerning the transfer of 650,000.- settled.

We remain

Yours faithfully,

INTERCOMMERCE

Telephone:

P.O. B...

BEST COPY AVAILABLE

E 213

Defendant's Exhibit X

June 27, 1973

American IPC Corporation
770 Lexington Avenue
New York, New York 10021

Attention: Mr. [illegible]
Secretary-Treasurer and Corporate Attorney

Gentlemen:

At the request of Banco de la Republica, Bogota, Colombia, we quote below the text of a tested telex message sent by that bank on June 22, 1973 and received by us June 25, 1973:

"WE CONFIRM TO YOU THAT WE HAVE SENT TODAY FOLLOWING TELEX TO BULGARIAN FOREIGN TRADE BANK: QUOTE RE: FINANCIAL AGREEMENT CLEARING DOLLARS 650.000.00 (COLOMBIA). WE HAVE SETTLED DISPUTE WITH AMERICAN I.P.C. CORP. OF NEW YORK AND WE HEREBY WITHDRAW OUR CANCELLATION OF THE TRANSFER TO YOU OF 650.000.00 CLEARING DOLLARS AND THEREFORE THE ORIGINAL TRANSFER TO YOU SHALL REMAIN IN FULL FORCE AND EFFECT. HAVING RESOLVED THIS MATTER, WE THEREFORE WITHDRAW ENTIRELY ALL CLAIMS WHICH MAY HAVE MADE UPON YOU AND AMERICA IPC. CORP. ARISING OUT OF THIS TRANSACTION AND REQUEST THAT COPY OF THIS TESTED TELEX BE DELIVERED TO AMERICAN IPC. CORP. FOR THEIR RECORDS. UNQUOTE ANTONIO JOSE GUTIERREZ "

The above information is provided without any liability or responsibility on the part of this bank or its officers.

Very truly yours,

TEF:eft

E 214

Defendant's Exhibit X

(Conformed Copy)

June 25, 1973

American IBC Corporation
770 Lexington Avenue
New York, New York 10021

Attention: Mr. Herbert H. Walker
Secretary-Treasurer and Corporate Attorney

Gentlemen:

At the request of Banco de la Republica, Bogota, Colombia, we quote below the text of a tested telex message sent by that bank on June 22, 1973 and received by us June 25, 1973:

> "WE CONFIRM TO YOU THAT WE HAVE SENT TODAY FOLLOWING TELEX TO BULGARIAN FOREIGN TRADE BANK: QUOTE RE: FINANCIAL ALLER CLEARING DOLLARS 650.000.00 (COLOMBIA). WE HAVE SETTLED DISPUTE WITH AMERICAN I.B.C. CORP. OF NEW YORK AND WE HEREBY WITHDRAW OUR CANCELLATION OF THE TRANSFER TO YOU OF 650.000.00 CLEARING DOLLARS AND THEREFORE THE ORIGINAL TRANSFER TO YOU SHALL REMAIN IN FULL FORCE AND EFFECT. HAVING RESOLVED THIS MATTER, WE THEREFORE WITHDRAW ENTIRELY ALL CLAIMS WHICH MAY HAVE MADE UPON YOU AND AMERICAN IBC. CORP. ARISING OUT OF THIS TRANSACTION AND REQUEST THAT COPY OF THIS TESTED TELEX BE DELIVERED TO AMERICAN IBC. CORP. FOR THEIR RECORDS. UNQUOTE ANTONIO JOSE GUTIERREZ "

The above information is provided without any liability or responsibility on the part of this bank or its officers.

Very truly yours,

TEE:eft

E 215

DEFENDANT'S EXHIBIT Y

INTER-OFFICE MEMO

Y

TO: HERBERT H. WALKER

FROM: SHELDON SILVERSTON

DATE: September 6, 1973

SUBJECT: WELLS FARGO BANK

Bill Boland phoned me today and told me that Chuck Lillian was in Colombia early July.

Lillian spoke with Banco de la Republica who told him that they -

1) Severed relationship with the Swiss Bank.

2) Were unhappy with American IBC, because of the refusal of the Swiss Bank to pay on a clearing transaction.

Lillian made his trip report to the West Coast.

Boland asked about the situation; I explained the dispute regarding the $33,000 Redesbanco did not pay us, that subsequently the matter was settled (June) and sent him copies of the cables Redesbanco sent to Bulgaria and NBBA.

Sheldon Silverston

SS/la

DEFENDANT'S

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

MAY 21 1975

E 216

DEFENDANT'S EXHIBIT Z

Z

22.8.1973

Ref/Refs:

From Swiss Credit Bank, Zurich to STICHSAEL

American IBC Corporation, New York, Telex No. 421 121 oder 421 301

Attention: Mr. Sheldon Silverstein

your payment order 75,000.- Dollars shall execute after receipt of correct test number stop our bank does not favor Dollar advances at the time and we request your agreement that we can cover the Dollar advance on November 19 by converting the necessary Franc amount from the incoming Francs 3,130,000.- from United California Bank.

DEFENDANT'S

EXHIBIT
U.S. Dist. Court
S. D. of N. Y.

Z id

MAY 21 1975

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E 217

DEFENDANT'S EXHIBIT AA

MONDAY 19 NOVEMBER

1973 323rd day – 42 days follow

E 218

Defendant's Exhibit AA

NOVEMBER 20 TUESDAY

1973 324th day – 41 days follow

Mr. Silverstone Mr. Boland

Mr. McMath Mr. Lilien

Mr. Parish Mr. Pachovicz

E 219

DEFENDANT'S EXHIBIT AB

November 21, 1973

Dr. Stanley J. Foster, Financial Economist
Sunkist Growers, Inc.
14130 Riverside Drive
Sherman Oaks, Calif. 91403

Dear Dr. Foster:

In light of the fact that American IBC, New York is currently in financial difficulty, you may wish to continue your inquiries about switch transactions with:

1. Mr. Robert J. Redmond, Vice President
   The Marban Corporation
   One State Street Plaza
   New York, NY 10004 Tel: 248 7800
   (Wholy owned by Associated Metals)

2. Mr. H. Bohunovsky
   Allgemeinen Warentreuhand A.G.
   Strauchgasse 1
   1010 Vienna, Austria
   (Wholy owned by Creditanstalt-Bankverein)

I was delighted to have the opportunity of meeting with you and your associated, and trust that we will have a chance of working together.

With best regards.

Sincerely yours,

CC: Mr. D. Hepburn, Jr., WFB, L.A.

NDL:ne

SCHWEIZERISCHE KREDITANSTALT CRÉDIT SUISSE
CREDITO SVIZZERO SWISS CREDIT BANK

8021 ZUERICH

Konto-Inhaber/Titulaire du compte/Titolare di conto/Accou

Ex. AC

EXTRACT OF ACCOUNT FROM 01.01.73 To 04.12.73

Konto/Compte
Conto/Account No. 206635-01 CURRENT ACCOUNT

AMERICAN IBC CORP.
770 LEXINGTON AVENUE
NEW YORK NY USA 10021

Währung/Monnaie
Valuta/Currency SWISS FRANCS

Blatt/Feuille
Foglio/Sheet 1

Datum/Date	Text/Texte/Testo	s. Rücks. / v. verso / v. retro / p. t. o.	Zu unsern Gunsten/En notre faveur A nostro favore/In our favour	Zu Ihren Gunsten/En votre faveur A Vostro favore/In your favour	Val.	Saldo/Solde/Saldo/Balance
19 1273	B/F					41,684.90 C
22 0173	CASH PAYMENT		3,000.00		22 0173	38,684.90 C
25 0173	D. MARK- ACCOUNT			22,685.20	24 0173	61,570.10 C
02 0273	PAYMENT ORDER		7,436.10		01 0273	54,134.00 C
03 0373	COMMISSION		12.50		30 0473	54,121.50 C
28 0373	BALANCE OF CLOSING ENTRIES		6.10		30 0673	54,115.40 C
03 0373	PAYMENT ORDER		419.40		31 0773	53,696.00 C
09 0873	PAYMENT ORDER		505.36		08 0873	53,190.64 C
2308 73	FOREIGN EXCHANGE		5,000,000.00		23 0873	4,946,809.36 D
27 0873	FOREIGN EXCHANGE			* 5,500,000.00	23 0873	553,190.64 C
28 0873	FOREIGN EXCHANGE			10,000,000.00	27 0873	10,553,190.64 C
28 0973	FOREIGN EXCHANGE		* 5,000,000.00		27 0873	
18 0973	FOREIGN EXCHANGE		5,000,000.00		27 0873	553,190.64 C
09 1073	CASH PAYMENT		10,000.00		09 1073	543,190.64 C
12 1073	REVERSAL		* 5,500,000.00		23 0873	
12 1073	FOREIGN EXCHANGE			5,000,000.00	23 0873	43,190.64 C
05 1173	FOREIGN EXCHANGE		3,308,850.00		02 1173	3,265,659.36 D
20 1173	FOREIGN EXCHANGE			** 3,182,557.83	20 1173	83,101.53 D
03 1273	FOREIGN EXCHANGE			* 3,309,997.50	02 1173	
03 1273	PAYMENT ORDER		30,030.00		29 1173	3,196,665.97 C
	REVERSAL		**3,182,557.83			
	CLOSING ENTRIES		15.70			14,292.44 C

E 220
DEFENDANT'S EXHIBIT AC

E 221

DEFENDANT'S EXHIBIT AD



Beilage!

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SWISS CREDIT BANK

.021 ZURICH

Ex AE.

EXTRACT OF ACCOUNT FROM 01.01.73 TO 04.12.73

Konto/Compte Courant/Account No. 206935-02-1 CURRENT ACCOUNT

AMERICAN IBC CORP.
770 LEXINGTON AVENUE

NEW YORK NY USA 10021

Währung/Monnaie/Valuta/Currency US DOLLARS

Blatt/Feuille/Foglio/Sheet 1

Datum/Date	Text/Texte/Testo	B. Rücks./V. verso/V. retro/R. t. o.	Zu unseren Gunsten/En notre faveur/A nostra favore/In our favour	Zu Ihren Gunsten/En votre faveur/A Vostro favore/In your favour	Val.	Saldo/Solde/Saldo/Balance
2 1 73	B/F					7,235.50 C
2 1 73	PAYMENT ORDER		28,005.00		2 4 73	35,240.50 C
2 1 73	PAYMENT ORDER		35,005.00		2 5 73	70,245.50 C
2 1 73	PAYMENT ORDER		649.27		2 5 73	70,894.77 C
2 1 73	PAYMENT ORDER		70,005.00		2 6 73	
2 1 73	PAYMENT ORDER		300,005.00		2 6 73	440,904.77 D
2 1 73	PAYMENT ORDER		50,000.00		2 6 73	490,904.77 D
2 1 73	TRANSFER			1,513,317.19	2 6 73	
	SRA-SOLITO					
2 1 73	BALANCE OF CLOSING ENTRIES		1,811.43		2 6 73	1,020,600.99 C
2 1 73	FOREIGN EXCHANGE		1,675,041.88		2 6 73	654,440.89 C
2 1 73	FOREIGN EXCHANGE		3,267,973.86		2 6 73	3,922,414.75 C
2 1 73	PAYMENT ORDER		16,005.00		2 6 73	
2 1 73	PAYMENT ORDER		59,007.50		2 6 73	3,997,437.25 C
2 1 73	PAYMENT ORDER		50,010.05		2 6 73	4,047,437.30 C
2 1 73	FOREIGN EXCHANGE			1,547,987.62	2 6 73	
2 1 73	FOREIGN EXCHANGE			1,558,846.45	2 6 73	940,603.23 C
2 1 73	BALANCE OF CLOSING ENTRIES		16,369.84		2 6 73	956,973.07 C
3 1 73	PAYMENT ORDER		50,010.00		3 6 73	1,006,983.07 C
2 1 73	FOREIGN EXCHANGE		1,675,041.88		2 6 73	
2 1 73	REVERSAL			1,675,041.88	2 6 73	1,006,983.07 C
12 1 73	FOREIGN EXCHANGE		1,222,250.00		12 1 73	
12 1 73	FOREIGN EXCHANGE			1,238,750.00	12 1 73	990,483.07 C

E 222
DEFENDANT'S EXHIBIT AE

Daechten Sie bitte den Vermerk auf der Rückseite. Veuillez observer les remarques au verso. S.E.&O.

C = Zu Ihren Gunsten/En votre faveur/A Vostro favore/In your favour
D = Zu Ihren Lasten/A votre charge/A Vostro carico/To your debit

E 223

DEFENDANT'S EXHIBIT AF

MARSHALL O. WALKER, JR.

CALLE 16 No. 6-71 PISO 8
BOGOTA, COLOMBIA

TELEFONO ####

30 October 1972

EX.
AF

Explain Balance Sheet to Dept

Mr. Shelton Silverston
American IBC Corp.
710 Lexington Ave.,
New York, N/Y/ 10021

Dear Shelley;

This letter is confidential in that I am typing it myself, and no copies are being distributed to bank personnel. It is bank correspondence in that Navia and Delgado know I am writing it, and a copy will be in my personal correspondence file in my locked desk. It is somewhat disorganized in that I have been trying for two weeks to get my thoughts in sufficiently orderly arrangement to write things in order of relative importance -- to no avail -- and the results of conversations with some of the gringo bankers who are arriving for the Convention have made the situation even more confused.

The matter of proper channels of communication was discussed at some length with the 1st Penna people when they were here. 1st Penna had been getting a monthly report of sorts from either Ronderos or Tobar, and it was discontinued when Ronderos got out. It was mostly "snow job" anyway. 1st Penna wanted it reinstated, and we said no, but that they have a man on the board, and they could get their information from him, rather than from bank operating personnel. (In this letter, "we" means Navia, Delgado and I, since I am theoretically hired by the bank administration [not its stockholders and I identify with the administration) This step was necessary in order to get across to everybody concerned that the day-to-day operations are in the hands of the people hired to conduct them, and that communications with the stockholders -- any of them -- must go via the Board of Directors, which can ask anything of the President. Thus we assure management's freedom from improperly channeled stockholder pressure.

I am sure you feel entitled to some sort of communication from me, and I don't blame you, but I want to keep this sort of thing to an absolute minimum, as I am sure it would demoralize whatever management team we put together, if they felt that reports were being rendered out of channels -- behind their back, so to speak.

Which brings up a matter of interest to all the foreign bankers I have talked to since I have been here, including the local reps of Chemical, Deutsches Bank, Union Bank of Switzerland, and visiting firemen from 1st Minneapolis, Schroeder, Manufacturers Banco Nacional de México, and I forget who else, but tonight will be Bankers Trust. The question is; Who and how reputable are the stockholders and Board members, and who and how competent are Management?? As you know, these matters are of as great importance as the balance sheet and P&L figures to actual and potential correspondents especially where the change of ownership took place under conditions less than those of sweetness and light, and very importantly in the case of Banco Nacional, where our 1972 figures are going to look like hell.

I should say that I am well aware of your desire to see how L/C business is channeled so that possibly you can help -- an NY rep rather than financially interested party. But now is not the time to do it. Our incomplete management team is devoting most of its efforts to keeping the bank out of trouble with the Central Bank in terms of reserve requirements, etc; to cleaning up past sins (and there have been many); to

Trustees
EXH. #12- FOR ID.
DATE 10-6-74

E 224

Defendant's Exhibit AF

establishing business-like procedures in the internal operations of the bank, and in general trying to bring order out of the complete chaos in which it was left. This means that trying to get new business has lower order of priority, and rightly so, because in order to get any substantial new business the bank has to present a picture of order, and not patch-work repair. Therefore, the channeling of L/C business is not right now a means to develop correspondent relationships -- we have enough lines available to handle what we are doing, and until we can present a more understandable picture to new correspondents, we can't even think about eliminating unproductive relationships (which must be done), or developing a list of correspondent banks that will make sense.

In that connection, I have nothing against Ycaza at Banco de Descuento except that he and the bank are fuddy-duddies. We don't need a bank in Ecuador at this time for commercial transactions. There would be no harm in exchanging signatures and "terms and conditions", but we have nothing else to show them - not a balance sheet - no management - no local reputation --- not yet. And such relationships lead to their solicitation of an account, which we should not open at this time. The dollars needed to maintain balances with correspondents are (a) difficult to come by, and (b) expensive!

Getting back to stockholders, directors and management, what I have to say is not very pleasant, and the following may not be too cohesive, but the sooner we face facts, or at least Walker's version of what the situation is, the better. Maybe Walker's version is not exactly the facts, but damn few people (and surely not the local or foreign banking community) are in possession of the hard facts. I have heard (and please understand that this is gossip, but I must repeat what I have been told by various people, both Colombian and American) that Gonzalo Ospina has (or was) running around with the story that he had bought the Banco Nacional. A gringo told me the other day that American IBC had written a letter saying that it was now the major stockholder of the bank, and that MSW in Silverston's representative in Bogotá. If there is such a letter I would like to see it. Other gossip is that the bank was bought with money of Cia Frutera de Sevilla, and that Silverston steered that money to Lara-Ospina, and they have to repay it in 4 years.

Other gossip is that Lara and Ospina left a bunch of people unjustly holding the bag after the bankruptcy of two companies in the meat business, BUT (1) somebody always gets hurt in a bankruptcy, and presumably Lara-Ospina lost money too, and (2) the entire country knows that the Lara-Ospina group is now in control of the bank, and so far NOBODY has (to my knowledge) brought any kind of action against them or the bank to recover losses incurred in the bankruptcies. This latter seems important to me, because if anybody really thought they had any right to recovery not already exhausted, they would surely come after the bank as a realizable asset of the Lara-Ospina partnership.

It is a matter of general opinion here and abroad that the Lara family is hard to deal with. It was so considered by Chemical officers when I was with Chemical 25 years ago. Not that anybody would question their honesty -- but they are said to be uncommunicative -- nobody can tell what they are thinking -- they drive a hard bargain, etc. etc. As for Gonzalo Ospina, he is said to be the playboy of the Ospina family, which enjoys in general the highest prestige here, and Ospina Perez or put his name on the line to get Gonzalo out of the bankruptcy trouble with as much honor as possible.

E 225

Defendant's Exhibit AF

The questions the US, Guaranty and Allied boys put to me are:

1. Who are the stockholders? See foregoing.
2. Why did they buy the bank? This is a tough one. I say they bought it to diversify and stabilize their various other investments, although I privately don't know the extent of their "Other Investments. I have been successful in bypassing the question, mostly.
3. Who are the directors? We are in the process of preparing a list, with affiliations. It's a good list, and will, I think, engender some confidence.
4. Who is management? I will discuss this below.
5. How about figures? We don't (or haven't) distributed recent B/S or P&L figures, because we haven't been pressed. If we should be pressed hard, we will. But we have said generally that because of the change in ownership, and the need to clean up the mess found by the Supt. of Banks (which everybody knows about), current figures are of no significance. I'll also touch on this later.

Management. It must be remembered that Navia and Delgado were not hired by the Lara-Ospina-(Silverston) group. This is to the Bank's great advantage, I think. It dispels any notion that they are anybody's puppets. They both seem to be very highly regarded by the local gentry, and both left good jobs with Banco del Comercio, which is Chase. They were hired by the interim management (Carbó), and apparently they didn't know that the sale of shares (majority) to Lara-Ospina was in the wind. Right here is a good place to comment that there seems to be a distinct coolness between Gmo Ronderos on one side, and his brother-in-law Carbó, plus 3 Ronderos brothers on the other. Navia and Delgado have been trying to do six men's work since they have been here, and right after the Convention, we are getting 2 or 3 new officers, which will relieve them of some of the load, which has been tremendous, trying to make a Phoenix rise out of the ashes. The fact that management is thin and temporary (Carlos Navia is Acting President) doesn't sit well with anybody, foreign or domestic. It is my private opinion that Navia ought to be named President, although I have voiced it to nobody but you. He is highly respected, especially in the Govt., and could NEVER be accused of being anybody's puppet. Anybody named now might be suspect, no matter how clean or highly reputed. And nobody to be named could change the fact that this bank is at the bottom of the list in Colombia — the only one showing a loss in the Supt of Banks monthly tabulation of B/S/ figures.

Another point. This bank was apparently found to be in awful shape by the Supt. of Banks a year ago. I don't think anybody really knows yet how bad the loan portfolio is. As far as relationships with correspondents are concerned, it's hard to get facts, as the files are not to be believed in this department -- primitive is an understatement -- but the correspondents have been snowed with gifts, frequent "good-will" visits by Ronderos, outright lies in at least one case, and whatever other sins I have yet to discover. Ronderos went overboard when 1st Penna bought in, and

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E 226

Defendant's Exhibit AF

all you have to do is look at the last three years comparative balances in the 12/72 report (Lineas Depósitos y Exigibilidades en Moneda Extranjera) to see the massive and really unwarranted increase. In the same comparisons it will be seen that all deposit increases were more than offset by increases in loans (you have to include Deudores Varios in Loans). Bad banking, to say the least. Also look at the drop in - Terrenos y Edificios from 1970 to 1971. The profit from the sale of the building served to cover up operating and portfolio losses. And mind you, I haven't done an audit, and don't intend to, but somebody should have, other than the Supt. of Banks which looks harder at legality than they do at credit risks.

I think the 12/31/72 final balance sheet is going to be disastrous, and practically nothing can be done about it, although once the bitter pill is swallowed, the bank will be in better shape to take off in 1973. But "windfall profits" are rare in this business, and growth will have to be slow - and sound!!! I can't avoid the feeling that 1972 losses will eat into capital to a point where new money has to come in, but the guys here say I am wrong -- that there are sufficient legal and legitimate loopholes to postpone the day of reckoning at least until the bank gets into the operating black. The local law says that deposits in excess of ten times capital must be 100% reserved at Banco de la Republica which means they are useless. Thank God the banks haven't lost deposits, but at the same time, if capital is seriously impaired, we could get into the over 10 times category, to say nothing of our impaired ability to put the arm on foreign banks for lines. And the bank is now under <u>everybody's</u> scrutiny. What we don't publish now will be published by the Supt of Banks four months late -- every month, not just 6/30 and 12/30 figures.

Almost enough for our troubles, except to say two things; you may be sure that Navin Delgado and I are putting our best foot forward on every occasion, in an attitude of forthrightness. I am sure the Directors are doing the same. Secondly, we have seen <u>no sign</u> of any so-called stockholder interference to date, so we can say very honestly that the desire of the stockholders (whoeverthey are) and of the Board is that the bank be run by professionals on a technical banking basis, and there is no threat of hanky-panky. I repeat this to you ad infinitum, because this is a spectre that haunts the banking community in general, especially in the case of a small, closely-held institution, and Ronderos' performance is one of many proofs that the spectre is real.

Now for some personal, rather than personal-professional comments. One rather unimp unimportant, but frustrating item: I could spend three nights on a barroom floor telling you face-to-face what a complete disaster area is the files on correspondent relationships. I can't find out how they started, how they ended, or when. The individual bank files say nothing. There were two big folders in Ronderos' office, one "incoming", and one"Outgoing", and the individual name files —— I just can't tell you. And most was by word of mouth in and out of the bank. The flunkies here did as they were told without question.

The bank has never had an International Bank Directory, such as Skinner's or Rand-McNally. An essential tool. If our New York Rep wants to give us a Thanksgiving present, he could get one (old or new) and air-express it here. They are expensive, in Colombian terms, and furthermore unavailable in stores.

Another thing to remember in that the bank has only one primitive, and expensive, copying machine. The cost of each copy is about $3.90, or US .15. They trick a

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rented Xerox, and the cost ran to P.5.00 per copy, so it went back. Not only that, the machine is on the 6th floor, where it is used most, and the Intl Dept is on the third, so getting copies is expensive and a pain in the neck. In some cases it is literally cheaper to have a girl type a copy especially, than to stop the wheels of progress by using the machine. Forgive my "talking down" to you, but Latin-American efficiency is something you have to live with to understand. Costs take a lot of understanding, too. Why should a telephone call from a booth, through a highly mechanized (low labor component) system cost one tenth of what it costs in the US, while a car or office machine costs from 5 to ten times as much?

As for me, I am doing everything I can to help the bank. I wrote a memo (in Spanish, of course) to Navia outlining my concept of my duties and responsabilities here. I don't know whether it ever got to you (through proper channels) or not. Luis Lara said he was going to talk to me about it, but he hasn't done so.

I have taken several initiatives to start to get us on speaking terms with our correspondents. Carlos picked up my phrase "The Madison Ave touch" and uses it often. If our New York Rep wants to be kept up-to-date on relationships with correspondents, he ought to make his desires known through channels to the President(Acting) so that the routine machinery can be set up. My personal view is that right now it is premature, but after 1 January it might be a good idea. By that time, hopefully, we will havesomething to talk about with correspondents. We now have about 1.5 MM in unused lines, and can get along for the next two months.

The other matter is my "contract" here. I have been playing it Latin style. That is, doing nothing in the hope that a bright idea would strike somebody. The bank has to have some sort of contract to justify its expense. If it contracts with me, I get pesos (which was not our agreement), and I would have to change my passport and visa arrangements, which would be inconvenient. I think the bank can contract with its New York Rep to justify the expense. Then I can honestly say I am not being paid by anybody in Colombia, so my Tourist Card is OK. And I will get dollars, which is the important thing for me. Furthermore, it is to the bank's advantage that my fee for this year be paid in 1973, as the bank has already enough loss for 1972, and my 1973 expense (plus 1972) will give the bank a tax break. As for expenses, they are advancing me when I run out of money, but I have yet to hear whether and how they want an accounting. I know they are charging the advances to deferred expense instead of P&L, but the one thing I am keeping my nose out of is accounting. I have discussed the "contract" matter briefly with Delgado, who is a lawyer (Navia is, too.) and he thinks the NY Rep idea is good. How bank peso expenses for NY Rep get converted to US is another problem, which, as a foreigner here, I don't want to get involved with.

Please forgive the lousy typing, the garrolous letter, and my insistence on "channels" but the latter is the only way this bank's management can rest easy. If they think I am continually reporting behind their back, our collective goose is cooked. For some reason, I can't get close to Luis Lara, and as you know, Golzalo hasn't been here since I came. I like Luis, and he seems to accept me OK, but I wonder from time to time if he thinks I am spying for you - and since there are many circumstances I don't know, maybe he has a right to think so. At any rate, as I said at the beginning, Navia and Delgado know I am writing you, although they don't know the content of this letter. And I don't want them to think I shall do it often. I shall <u>never</u> write another 5 page epistle.

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It isn't 5 it's 6 pages.

I just got a call from Luis saying that Ben wants me to call her. Will do. The mail is lousy.

I have tried to avoid overdoing the "solution" bit. The idea is just to give you a general picture of the bank and some (by no means all) of its problems as I see it. I hope it will be of help, and that you have read all these words in the spirit in which they were written — not by any means carping -- this kind of thing is endemic in these countries, and it takes a lot of patience and understanding to cope. Maybe this will help your P and U, as I know how frustrated you must feel in trying to get a clear concept of the situation.

Best regards,

Marshall

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DEFENDANT'S EXHIBIT AG

November 3, 1972

Ex.
AG

Mr. Marshall S. Walker
c/o Banco Nacional
Apartado Aereo No. 16334
Bogota, Colombia

SS Full

Dear Marshall:

Thank you very much indeed for your October 30 letter.

May I comment point-by-point.

CHANNELS OF COMMUNICATION:

I cannot agree with you more, and you know I respect your judgment. As a matter of fact I took the liberty of reading paragrpph 2, Page 1 of your letter, and the last part of paragraph 3, Page 4 of your letter (starting - Secondly, we have no sign, etc.) to Phil Parkinson of First Pennsylvania.

I discussed this point further with Conzalo, and he, too, is in agreement. What's best for the bank is best for us. Conzalo, by the way is returning to Bogota on Sunday, November 5, and will be in touch with you on Monday. I am sure Luis, too, is in agreement.

May I close the subject by saying that I shall not ask for or expect any reports other than those set up through the proper channels.

I would like to further clarify a point that perhaps Carlos Navia and Mr. Delgado, both of whom I have never met, may not be aware of. My obligation to and relationship with Banco Nacional is only one thing. That is to help. I have some very fine relationships with certain banks in the United States and Europe, and particularly close contacts with banks in Eastern Europe. Whether these relationships can be used to the advantage of Banco Nacional, they should be used. If the Management of Banco Nacional knows of these relationships, they can use them to their advantage at the time they think it is to the advantage of Banco Nacional. I therefore will wait instructions and

(over)

Trustees
EXH 113 FOR ID.
DATE 10-8-74
MARVIN A. MORGENTHAL

guidance from Banco Nacional, either directly or through one of the directors regarding this matter. I am certain that the directors will have no objection to direct communication between Banco Nacional and myself as the representative of Banco Nacional.

STOCK OWNERSHIP BANCO NACIONAL:

Ownership of the stock is registered and available to anyone's scrutiny. Officially this is how the stock his held.

The key to your question, however, is really the reputation of Gonzalo Ospina H., and Luis Lara, Jr., and the IBC companies in Colombia.

It galls me when character assassination is made, particularly in whispers. One cannot prevent people saying they are close to someone, or using one's name regardless of how the reputation of the person making the statement is held. I tell you this as Sheldon Silverston. There was, as you and everyone is aware, a bankruptcy in Colombia wherein the primary stockholders were Gonzalo and Luis. Every creditor was paid off. Naturally they weren't paid on the due date of the obligation, if they were there would not have been a bankruptcy, but they were paid off in full. The only objection anyone raised to the method of payment was that the smaller creditors were paid first.

It would have been easy for Gonzalo and Luis to pay the large creditors and the banks first, knowing that the small creditors of simple economic weight could do nothing but wait.

This may have been the smarter thing to have done from the commercial sense, but to my mind it would have been the immoral thing to do. The small creditors could not afford to wait, therefore they were paid first. The large creditors who could afford to wait, waited and were paid.

Your analysis is absolutely correct. If there were still matters outstanding, the alleged creditors would have gone after assets. For your information Guillermo Ronderos in particular was trying to utilize his old bankruptcy to his advantage.

For your information, on September 6 an announcement was

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Defendant's Exhibit AG

-2- cont.

sent to certain key institutions which basically said:

We are pleased to announce that the IBC Group has acquired an additional 1,364,000 shares in Banco Nacional of Colombia. This gives the IBC Group in excess of 76% of the stock in Banco Nacional.

A second paragraph was also added, which said:

"We look forward to assisting Banco Nacional in its continued growth, particularly in International Transactions."

This announcement was made as a general announcement and paragraph 2 was signed by American IBC Corp.

I think I should further comment on the relationship between Luis and Gonzalo and myself.

Obviously Luis and Gonzalo are related by marriage. Where does Silverston come in. I consider Luis and Gonzalo as part of the Silverston family. Helene (and me too) has the same feeling for Inez and Liliana.

Without expression in words, Gonzalo and Luis and I hope Inez and Liliana have the same feeling for Helene and myself.

We, Gonzalo, or Luis, or myself, speak for each other. You are aware I am sure that Gonzalo and Luis are both officers of American IBC Corp. What Luis, or Gonzalo says or commits to, is a commitment by me, and what I say is a commitment by Luis or Gonzalo. What I am trying to portray is that we are basically interchangeable. There are no other two men in the world in whom I have as much faith and trust. This goes further than business sense, this is in a personal sense.

As you know, talk is cheap. Much gossip and rumors we just disregard. However, the rumormongers in Bogota certainly touches a sensitive point when untrue and damaging allegations are made.

I sincerely doubt that Gonzalo ran around Bogota and said that he bought Banco Nacional. I have not discussed the point with him, but if he did, it is all right with me because as I said above, whatever commitments and

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Defendant's Exhibit AG

statements are made either by Gonzalo or Luis with regard to IBC, I will stand behind.

Regarding Fruitera de Seville - this is ridiculous. It is like saying that because I happen to owe $5,000,000 to Swiss Credit Bank that I channelled that money to Gonzalo and Luis by the bank.

The fact is that the IBC Group has a total amount of assets and a total amount of liabilities. Our assets substantially exceed our liabilities. If I or someone else decide to invest for example in a stock in New York, I then apply these assets or my free assets to buy the stock, and I certainly don't go around to see whether or not any given liability could be applicable to the transaction. It is just ridiculous.

If Gonzalo is a playboy, he is the shrewdest one I ever met. From my experience his playboy activities have yielded very substantial business results and successful results. I guess that because I take a month's vacation in the summer, and a late fall and early spring vacation of two or three weeks duration each, I too am a playboy. I think though that we will stand on our achievements and not worry about classifications.

I am not trying to justify anything, but character assassination makes me angry, and I have got to get it off my chest.

Why did the IBC Group get involved with the bank? You are right, to diversify and stabilize. There is another reason. If we, the IBC Group can bring off what we are trying to bring off, we will make it possible for the bank to have tremendous earnings for the bank and everyone associated with it. We have a firm offer to buy a small Swiss Bank, which we are not acting on at the moment. We are negotiating for an East Coast United States Bank of $30,000,000 capital and reserves of $50,000,000 in deposits. If we are successful with the east coast bank, we will then move along with the Swiss Bank. With the triangle of United States, Colombia and Switzerland (one bank each), I am confident that we can

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Defendant's Exhibit AG

do substantial international business between the three banks, which would place Banco Nacional in the position of being perhaps the highest profitable structure of any bank in Colombia and additional substantial incomes or revenue to the other banks. This is in back of our mind, and perhaps the name of the game. If we are successful we are in great shape. If we are unsuccessful we still want to see Banco Nacional as a highly successful operating entity in Colombia, additionally that it has diversifiddthhe IBC investments.

With regard to your recommendation on Carlos Navia, I agree with you. Gonzalo will discuss this with Luis in Bogota. You might be interested to learn that about a month ago Gonzalo's feeling was that Carlos Navia would be President of the bank, but that we should wait a short period of time to see just how well he did in running the bank.

I am absolutely certain that Carlos Navia and Mr. Delgado and you, are all breaking your necks. I don't envy you. Regardless of the channel you set up, use it insofar as Sheldon Silverston is concerned to get whatever you can from Sheldon Silverston that will assist the bank.

We are air expressing the 1970 Rand McNally to you. This is my Thanksgiving present to the bank. I am not sending you the latest edition because delivery to New York is five weeks. We will send you the later edition as soon as we receive it.

The Madison Avenue touch will pay off. Presentation to a bank or correspondent is 90% of the battle. I wish I had learned this twenty years ago, but it took me a little time. As mentioned before, Gonzalo is returning to Bogota on Sunday. Gonzalo and Luis will get together with Mr. Navia, Mr. Delgado, and yourself, with regard to the contract and how this matter can be arranged to the best of everyone's satisfaction. My personal view is that whatever is agreeable in Bogota is agreeable to me.

Thanks very much for your letter, I really appreciate it.

Sincerely,

Sheldon Silverston

SS/mmg

P.S. Attached is letter to Carlos Navia. If you think the time is not appropriate for such a letter, please send it back to me, but if you think it is appropriate, please give it to him.

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P.S. cont'd

and if he feels direct communication between us is appropriate I would be delighted.

S.S.

bc: Mr. Gonzalo Ospina and Mr. Luis Lara, Jr.

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DEFENDANT'S EXHIBIT AH

WELLS F..) BANK INTERNATIONAL C ORATION
NEW YORK, N. Y.

MEMORANDUM:

DATE: October 1, 1971

SUBJECT: American IBC Corp.
New York, New York

Mr. Manhertz of National Bank of North America, 623-2964 called for a mutual account revision on subject and reported the following:

"We have had the account since November 1969. We extend credit to the subject on an as offered basis. On April 30, 1970 we approved $18,650. Usage has been active. Checkings in January 1971 with one bank indicated that credit was extended on an as offered basis. We have their May 20, 1969 financial statement spread without comment. Our experience has been satisfactory and we have a favorable opinion of the company and its management."

Rochelle Shevah

Rochelle Shevah
Credit Assistant

/rs

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DEFENDANT'S EXHIBIT AI

Ex. AI

MEMORANDUM: DATE: December 30, 1969

SUBJECT: AMERICAN I.B.C. CORP. (AIBC)
440 Park Avenue, New York, N.Y. 10022

Mr. Kalus A. Jeschkowitz, S.V.P. (Phone 212-623-5930), International Division, National Bank of North America, 44 Wall Street, New York, confidentially provided the following:

" This is a new relationship which was established as a result of a personal introduction approximately 3 months ago. I am the officer who is handling this new account and have chatted with Mr. Silverston about six times; the deposit account was opened approximately 5 weeks ago.

Silverston has offered us several proposals, some of which we have turned down while we have handled other proposals. Those which we have taken on may be classified in the following three categories:

1.) Discounting Acceptances.-

We have discounted two bank acceptances which have amounted to very small amounts. Since the drafts were presented by U.S. banks, there has been no extension of credit to subject, only an accommodation.

2.) Deferred Payments Letters of Credit.-

We have financed three deferred payment Letters of Credit which were confirmed by a prime U.S. bank. Since these Letters of Credit bear the confirmation of a U.S.bank there is no direct liability in the name of subject.

3.) Letters of Credit for Switch Transactions.-

We have opened a letter of credit on his behalf for a switch deal between South America and Europe.

Today, we can not report our experience since these transactions are still on the books and nothing has matured. I think it is implicit that good collateral is essential for these types of transactions. On the other hand, however, my impression of Mr. Silverston is that he is well schooled, imaginative, resourceful, knowledgeable, competent, honest and has the personal contacts in order to do these exotic transactions which he engineers; he seems to know what he is talking about. "

Peter E. Lowler
Credit Officer

PEL/cvb.
cc: D.I. Jalving, A.V.P.-ETB/SF
(done for NB SF)

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DEFENDANT'S EXHIBIT AJ

WELLS FARGO BANK
INTERNATIONAL
40 WALL STREET • NEW YORK, N.Y. 10005

MEMORANDUM
CHECKINGS FOR FILE:

DATE

SUBJECT: AMERICAN I.B.C.

5/17/72

Mr. Goldsmith of Republic National Bank called for a mutual account revision on the subject and stated:

"We have had the account since May 1970. We accomodate the subject on "an offering basis". High point has been low seven figures for secured loans. Currently outstanding is a low six figures ~~for secured loans.~~ We have no checkings in the last six months. Last statement spread is 11/30/70, no comments. Our experience has been satisfactory ~~and our opinion favorable.~~"

NOTE: Republic National Bank called us for a mutual account revision in 10/71.

ROC/sd

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DEFENDANT'S EXHIBIT AK

NY-6-06-12/72-20M REV.

FILE COPY

Authorized Signature

DATE
11/19/73 014826

AMOUNT $1,046,894.05

REF C 11 19 73 30374 LRD
FAVOR AMERICAN J B C CORP NEWYORK

WE WELLS FARGO BANK INTERNATIONAL

CREDIT YOUR ACCOUNT AS INDICATED BELOW

MAIL

A/C NO.

BY ORDER OF

VIA CHASE MANHATTAN BANK, N. A. (THRU PEPS)

WELLS FARGO INTERNATIONAL
40 WALL STREET
NEW YORK, N.Y. 10005

NOV 19 1973

AUTHORIZED SIGNATURE

ORIGINAL CREDIT

REC UNIT	REC BANK	REC SEQ.	CLEARING TIME	SEND BANK	SEND SEQ.
00	510	0038	112215	002	1730

DATE
11/02/73 014026 040393

AMOUNT $1,012,819.37

002-3963

REF C 11 1 73 JLK 001673
ORDER AMERICAN J & C CORP NEW YORK

CREDIT YOUR ACCOUNT AS INDICATED HEREIN

WE WELLS FARGO BANK INTERNATIONAL

552 100 00

A/C NO.

ACCT WELLS FARGO BANK
POST OFFICE BOX 2062
LUXEMBOURG-VILLE, LUXEMBOURG

BY ORDER OF SWISS CREDIT BANK
CASE POSTALE
8021 ZURICH, SWITZERLAND

VIA CHASE MANHATTAN BANK, N. A. (THRU FFPS)

00 110 0057 132541 002 3963

AUTHORIZED SIGNATURE

OFFICE COPY 3

DEFENDANT'S
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

MAY 2 2 1975

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DEFENDANT'S EXHIBIT AN

Due and timely service of ONE copies of the within EXHIBIT VOLUME is hereby admitted this 12TH day of APRIL 1976

Neil Gotshal & Manges 10:30 a.m.

Attorneys for APPELLEE